PORTLAND
JSX LIMITED

2023 ANNUAL REPORT

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DISCLAIMER

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent Portland Private Equity II, Ltd.'s ("PPE" or the "Manager") expectations regarding future events. By their nature, forward-looking statements must be based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Actual results may differ materially from the Manager's expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, foreign exchange rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which Portland JSX Limited ("PJX" or the "Company") may invest and the risks detailed from time to time in the Company's prospectus, and other investor documentation. The foregoing list of factors is not exhaustive and when relying on forward-looking statements to make decisions with respect to investing in the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, neither the Company nor the Manager undertakes, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. Portland; Portland Holdings; Portland Investment Counsel; and Prosperitas Cum Caritate are trademarks of Portland Holdings Inc. used under license by Portland JSX Limited. All trademarks, logos and brand names are the property of their respective owners. All company, product and service names used in this report are for identification purposes only. Use of these names, trademarks and brands does not imply endorsement.

DIRECTORS' REPORT

The Directors of Portland JSX Limited ("PJX" or the "Company") are pleased to present our Annual Report with audited financial statements for the year ended February 28, 2023.

LETTER TO THE SHAREHOLDERS

At this time last year, as the pandemic receded and life returned closer to normal, the Company entered the year on the theme of transitioning from defence to offence.

In many ways this theme was accurate. The portfolio of the Company's primary investment, Portland Caribbean Fund II ("PCF II Fund"), on an overall basis saw top-line revenues return to and in certain cases, exceed, pre-pandemic levels. Additionally, PCF II Fund successfully reached full exits in two of its portfolio companies. In non-financial matters, the Company continued its leadership with respect to responsible investment. Its active support of Portland Private Equity II Ltd. ("PPE"), the investment advisor to PCF II Fund, resulted in PPE co-hosting regional training sessions on gender lens investing with FinDev Canada and UN Women. These points are addressed in more detail in the report and are offered for context.

In important ways though the 'moving to offence' theme was inaccurate. If the year was a game of football, and defence was to fullback and offence was to striker – then it was the year of the midfielder.

Through the year a macroeconomic sea change took place. Institutional fund managers warned their management teams that an era of 'easy money' had come to an end. A pandemic-induced digital boom ran its course, and survival was premised on back to business basics. The general message to every portfolio company was to conserve cash, hire diligently, optimise cost, control cash burn, and extend runway as far as possible. Large, brand name banks that found themselves on the wrong side of rates and leverage, failed. Global events, including a geo-political crisis in Europe, changing monetary policies, and rising inflation all supported the view that a longer economic slowdown was taking place. All of this was reflected in the public markets where the switch was flipped from risk-on to risk-off.

Of course, the Company was not immune to the global pendulum swing. Some of the PCF II Fund companies were more affected than others. One of the takeaways though was an underscoring of the benefits of portfolio diversification. The PCF II Fund portfolio which is diversified by stage of company, geography, and industry sectors withstood the changes very well. We discuss the results below.

Using a football metaphor, the board of our Company has encouraged PPE to ensure the PCF II Fund portfolio companies are operating like 'great midfielders'. This was largely built around a strategic playbook which emphasised the following:

- 'make the simple pass': encourage the board and management of the portfolio companies to revisit fundamentals and look for ways to lower costs, increase margins, and re-negotiate terms and conditions as well as key relationships.
- 'control the ball': it is hard for your opponent to score if they do not have the ball; ensure the portfolio companies are doubling down on existing relationships, protecting existing revenue sources, and not spending needlessly on new customer acquisitions. With control of the ball the portfolio company can also control tempo strategically.
- 'always move': the middle of the pitch can be crowded, ensure the companies are looking for open areas in their markets, within existing relationships (both sales and supplier), and on the sidelines where there may be accretive opportunities.
- 'tackle decisively': reaffirm with portfolio management that once a decision is made the only approach is to get 'stuck in'.
- 'game vision': read the momentum, ensure that boards and management are consciously and formally working to assess where they may have blindspots. Stress test assumptions. Be aware of your competitor's responses while looking for advantages.

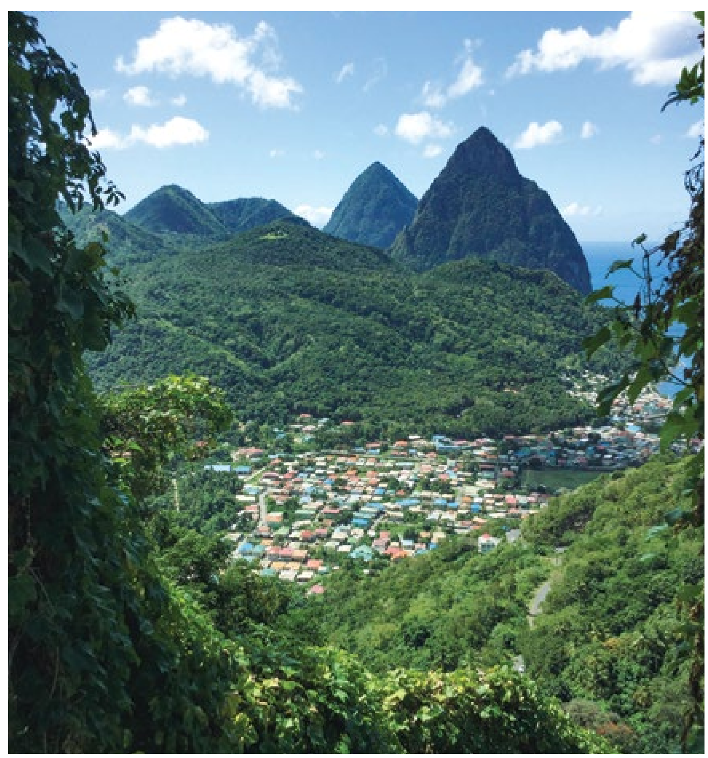
Doug Hewson,
Chair
June 28, 2023

PJX MISSION

To make private equity investments accessible to all types of investors.

PJX VISION

To raise capital through public markets, and provide transformative growth equity to high quality, scalable businesses in the Caribbean and Latin America, bridging the gap between public and private investors.



PPE INVESTMENT FRAMEWORK

PORTLAND
JSX LIMITED

Part of the Portland Group, a Multi-Unicorn Producer and Global Investment Platform

5 10 3
Inspired by

5 Attributes of Successful Investing

1. Own a few high-quality businesses
2. Thoroughly understand those businesses
3. Ensure these businesses are domiciled on strong, long-term growth industries
4. Accountable and decisive leadership
5. Hold these businesses for the long run

10 Attributes of Successful Businesses

1. Owner of the business is also the operator of the business
2. Ownership is heavily concentrated
3. Key shareholders are personified in the company and vice versa
4. Accountable and decisive leadership
5. Entrepreneurial culture
6. Low turnover in management positions
7. Symmetrical risk and reward for management
8. Business sets goals for the long term
9. Board focus on growth
10. Value of the business is based on fundamentals: sales, market share, margins

3 Preconditions

1. Perception vs. Reality Gap
2. Dearth of Equity Capital
3. Inefficiencies

It is important to note that, in the 5-10-3 framework, each item is necessary but not sufficient for success. Success requires excellence in all of the items. For example, an "autocratic management style" is only expected to lead to success if accompanied by "low management turnover", an "entrepreneurial culture" and more "symmetrical risk and reward sharing for management". When all 4 attributes are combined, the result is a more inclusive, empowered, collaborative, performance driven and accountable organization.

ABOUT US

PJX is incorporated in St. Lucia as an International Business Company ("IBC") pursuant to the International Business Companies Act, Cap. 12.14 Section 6 of St. Lucia. Its registered office is located at McNamara Corporate Services Inc., 20 Micoud Street, Castries, St. Lucia.

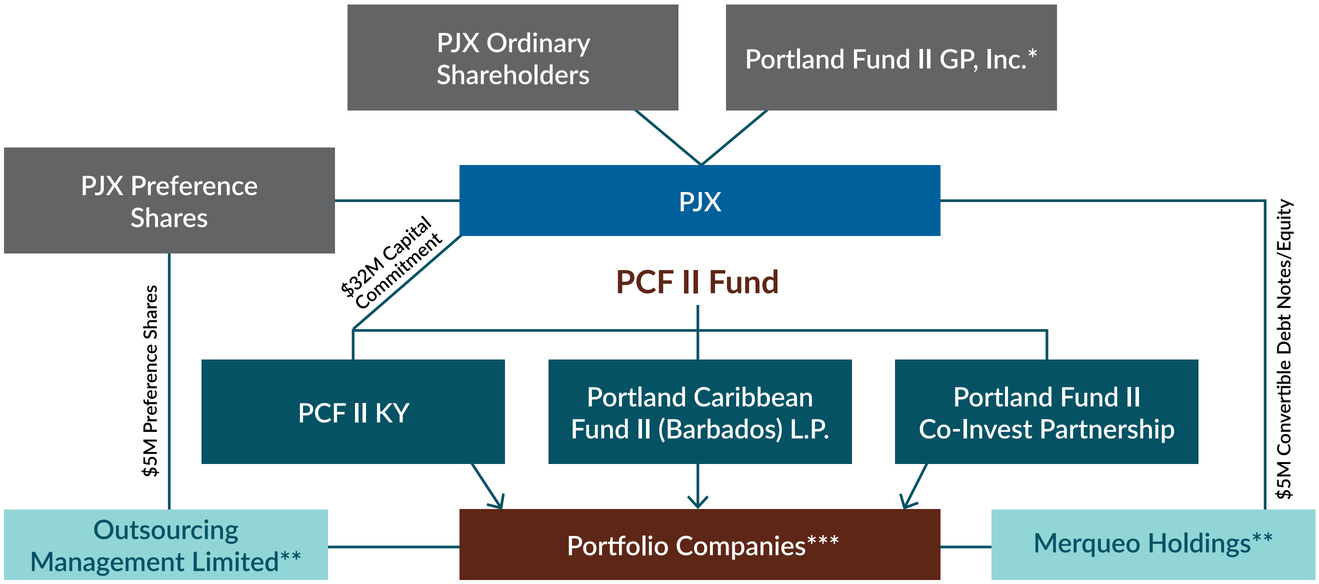
PJX's IPO, which successfully closed in June 2016, raised JMD1.23 billion for the Company. It was the largest IPO for ordinary shares on the Jamaica Stock Exchange at that time.

The primary business of PJX is that of a Limited Partner in Portland Caribbean Fund II, L.P. ("PCF II KY"), and successor funds managed by Portland Private Equity. PJX may also co-invest alongside PCF II KY. PJX expects its revenues to be generated from income and capital gains on its direct and indirect investments. PCF II KY is a Limited Partnership that is one of a set of parallel partnerships that comprise a fund ("PCF II Fund") that invests in quality businesses in the Caribbean and Latin America and is managed by PPE. The Company provides an opportunity for retail and institutional investors to gain access to the types of private and infrastructure investments that typically are only available to large institutional and ultra-high net worth investors. In addition to the above, the Company is providing a platform to high growth regional companies to reach investors of all types.

PPE, a regular business company incorporated under the laws of Barbados is the Investment Sub-Advisor to AIC Caribbean Fund ("ACF") and Investment Advisor to PCF II Fund, and provides management services to the Company. The PPE team has extensive experience successfully investing in businesses in multiple geographies and across a variety of sectors.

PCF II Fund has completed its investment cycle and the portfolio is fully built.

CORPORATE STRUCTURE



**Portland Fund II GP, Inc. the general partner of PCF II Fund, holds 1 non-redeemable preference share in PJX. The preference share gives Portland Fund II GP, Inc. the right to receive notice of, attend, vote at, and demand a poll at general meetings of any class of shareholders of PJX. On all decisions in general meetings and on all resolutions, Portland Fund II GP, Inc. is entitled to 51% of the votes of the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of PJX.*

***Outsourcing Management Limited & Merqueo Holdings are also portfolio companies in PCF II Fund*

****Refer to the next page for a list of all the PCF II Fund portfolio companies*

PCF II FUND – PORTFOLIO COMPANIES

Company	Sector	Description
	Telecom	NASDAQ listed telecom company, ultimate acquirer of Portland founded Columbus International
	Financial Services	Leading bank and wealth management in Bermuda
	IT Services	Regional IT services platform
Diverze Assets Inc.	Hospitality	Family-owned conglomerate comprised of a leading tourism experience provider, Jamaican energy storage distributor and real estate developer
	Hospitality	Leading entertainment dining and QSR in Colombia
	Technology	E-grocery retailer in LatAm
	E-Commerce Logistics	Pan regional distribution platform for electronics and e-commerce fulfillment
	Digital Business Services	Leading business process outsourcing services business

Please see disclaimer.

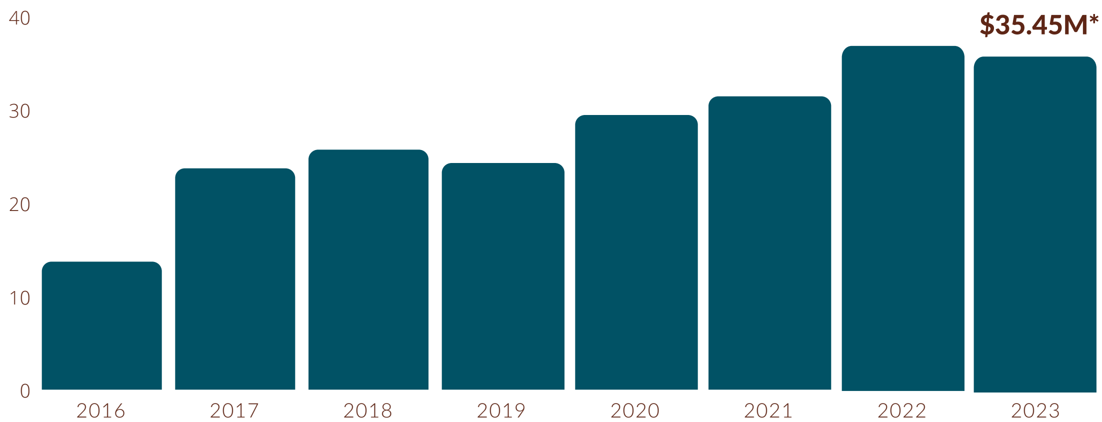
OVERVIEW

$30.3M

TOTAL CAPITAL CONTRIBUTIONS TO PCF II KY TO DATE

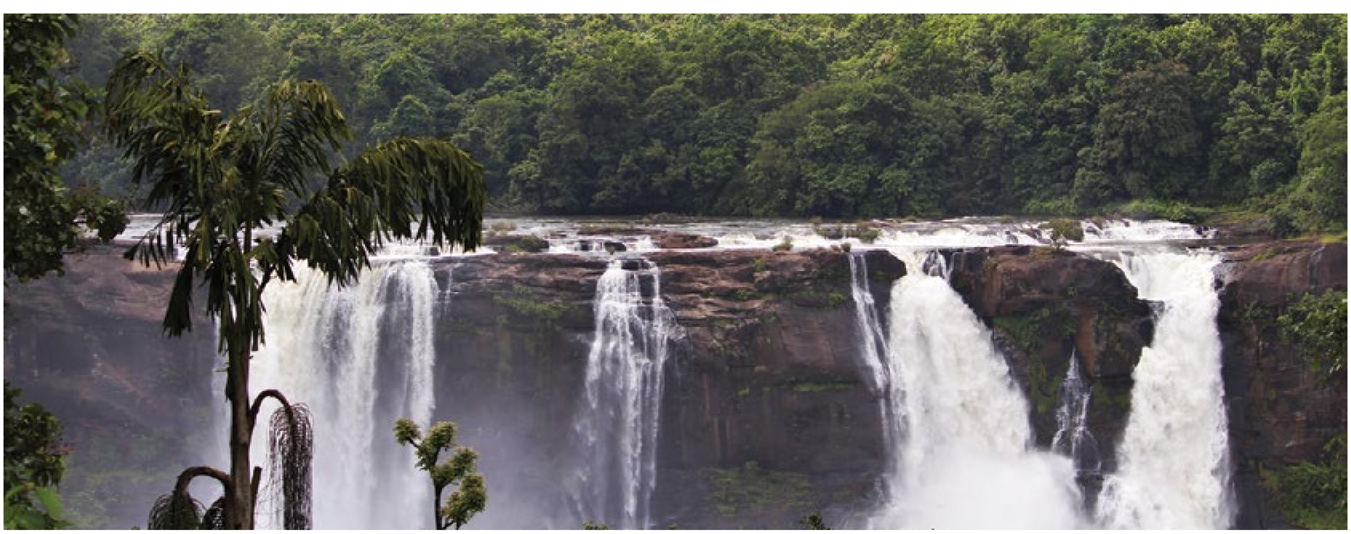
$32M

TOTAL CAPITAL COMMITMENT TO PCF II KY



PJX TOTAL ASSETS ($MM)

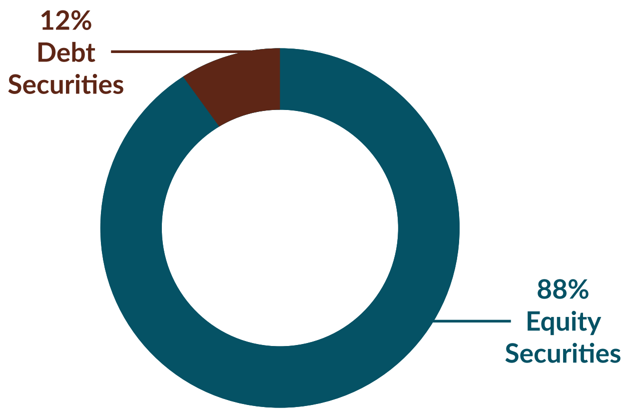
**Excludes OML Investment. All equity associated with the investment in OML Preference Shares is attributable strictly to the Equity Linked preference shares and should not impact any other shareholders in the Company. This instrument has been structured to preclude recourse against any other assets of the Company, and therefore, equity of any other shareholders. Any discussion in this report may or may not apply, including management discussion & analysis.*



PCF II FUND – OVERVIEW

8 INVESTMENTS

7 SECTORS

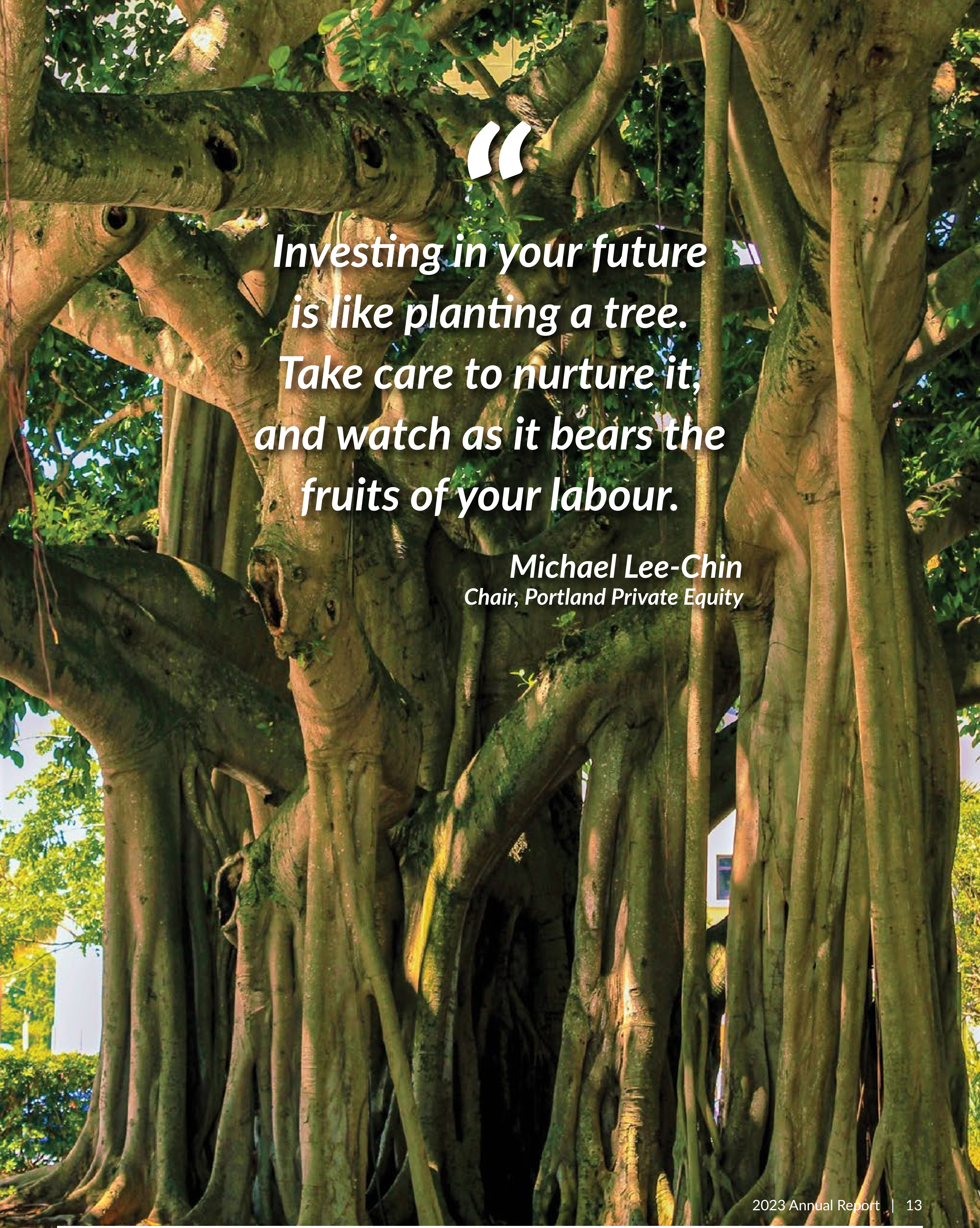


NATURE OF INVESTMENTS

$202.5M
TOTAL CAPITAL COMMITMENTS (USD)

SNAPSHOT:
WHERE WE CURRENTLY DO BUSINESS

While PCF II Fund is invested in the Caribbean Basin it is not directly invested in Mexico, Cuba or Venezuela



“

Investing in your future is like planting a tree. Take care to nurture it, and watch as it bears the fruits of your labour.

Michael Lee-Chin
Chair, Portland Private Equity

CORPORATE DATA

Directors	Bankers / Financial Agents	Attorneys
Douglas Hewson, *Chair* N. Patrick McDonald Jonathan Murphy Patricia Francis Brenda Duncan	Victoria Mutual Investments Limited 53 Knutsford Blvd Kingston 5, Jamaica First Global Bank* 28-48 Barbados Avenue Kingston 5, Jamaica	Hart Muirhead Fatta Attorneys-At-Law Victoria Mutual Building 53 Knutsford Blvd, 2nd Floor Kingston 5, Jamaica
Auditors	**Corporate Secretary**	**Registered Office**
Deloitte & Touche 3rd Floor The Goddard Building Haggatt Hall St. Michael, Barbados	MCSI Inc. Bella Rosa Road Gros Islet, Saint Lucia	c/o McNamara Corporate Services, Inc. 20 Micoud Street Castries, Saint Lucia

2023 Annual General Meeting
The meeting will be video streamed from:
McNamara Corporate Services Inc.
Bella Rosa Road, Gros Islet, Saint Lucia
Date to be confirmed

**Bank accounts held with First Global Bank were closed subsequent to year-end. New banking relationship established with Bank of Montreal, Canada.*

Chukka Caribbean's Harrison's Cave Eco-Adventure Park, Barbados

BOARD OF DIRECTORS

DOUGLAS HEWSON

Non-Executive Chair

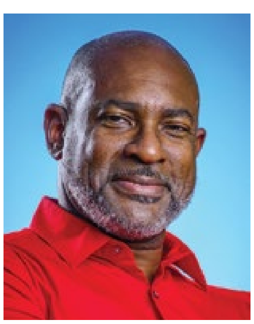
Douglas Hewson has over 25 years of private equity and venture capital experience. He is a Managing Partner of Portland Private Equity. Prior to joining AIC Caribbean Fund, he was responsible for co-founding and leading two successful investment management firms. At PPE, he has primary responsibility for investor relations, is a board member as of year-end of InterEnergy Group, IEH Penonomé, Grupo IGA, Productive Business Solutions, Merqueo, and an observer to the board of Clarien Bank. He is a member of PCF II Fund's Investment Committee, and involved in all aspects of AIC Caribbean Fund and PCF II Fund's management. He is also a member of the Diversity, Equity, and Inclusion Committee at PPE.

BRENDA DUNCAN[1]

Brenda Duncan has over thirty years' audit experience in London and St. Lucia. She is Managing Partner for BDO Eastern Caribbean, which covers Anguilla, Antigua and Barbuda, St. Vincent and the Grenadines and St. Lucia. In addition to the audit practice, through AFCS Inc, Brenda provides services in the international financial services arena as registered agent and corporate secretary for a number of international companies. Prior to this, she has held positions with Chase, Skeete & Boland, a member firm of Pannell Kerr Forster, Coopers & Lybrand, St. Lucia, and Arthur Andersen, London UK. Her audit experience has covered a wide section of industries including tourism, insurance, credit unions, finance, retail, statutory bodies and funding agencies.

PATRICIA FRANCIS[1, 2]

Patricia Francis, CD. is Chair of the Government of Jamaica Trade Facilitation Task Force and is a former Assistant Secretary General and Executive Director of the International Trade Centre and former President of JAMPRO. Mrs. Francis joined the board of Portland JSX from its inception and also serves on the boards of Jamaica Producers Group Ltd., B & D Trawling Ltd., Whiteshield Partners and IESE Graduate Business School. She also volunteers as a Director of Rose Town Foundation for the Built Environment and Alligator Head Foundation where she focuses on solutions to urban poverty and violence as well as the marine environment and sustainable development. As special adviser to the Executive Director of UN Women in 2018-2020, she designed and led the Change Process across the Global organization. Mrs. Francis was awarded the Commander of the Order of Civil Merit by the Government of Spain in 2006 and the Order of Distinction in the Class of Commander by the Government of Jamaica in 2015.



N. PATRICK MCDONALD[2]

N. Patrick McDonald is a commercial attorney and a partner at Jamaican law firm, Hart Muirhead Fatta. Admitted to practice in Jamaica in 1993, he was educated at the University of the West Indies and the Norman Manley Law School. He is a member of the Joint Advisory Committee of PCF II Fund, and a director of Television Jamaica Limited, Independent Radio Company Limited and other broadcast media companies forming part of the RJR Gleaner Group.

He is currently a member of the Commercial Law Committee of the Jamaican Bar Association and served for a number of years as an associate tutor at the Norman Manley Law School. Since 2020, he has served as the Honorary Legal Counsel of the PSOJ. He is a past member of the Corporate Governance Committee of the PSOJ and conducts training in public and private sector corporate governance from time to time. He has been consistently named as one of the leading commercial attorneys in Jamaica by Chambers Global.

JONATHAN MURPHY[1, 2]

Jonathan Murphy is the Managing Director of GKM, a Cayman Islands based multi-family office. He is focused on facilitating private investment, in both direct and indirect opportunities, to maximise value for clients. He acts as trustee and director for a small number of families, assisting in the structuring, analysis and management of the underlying assets. He was formerly a manager at Krys Global, a leading regional insolvency practice. He gained his ACA qualification whilst working at Deloitte UK.

[1] Member of Audit Committee

[2] Member of Compensation Committee (Ad Hoc Basis)

Bajari Beach Club, Grand Turk

THE TEAM

As a Limited Partner in PCF II KY, the Company gains access to the management capability of PPE. PPE has been retained pursuant to an Investment and Advisory Agreement dated July 15, 2014, to manage the PCF II Fund. The advisory services include monitoring investments in PCF II Fund, research, selection and ongoing monitoring of co-investment opportunities; research, selection and monitoring investments for uncommitted assets; and ongoing research for other investment opportunities. PPE also provides management services to the Company.

PPE is led by Hon. Michael Lee-Chin, O.J. PPE's Investment Committee is comprised of Mr. Lee-Chin and three Managing Partners. Collectively, these individuals have over 140 years of investing experience and on average have been together for over 10 years. Each of the executives also has an ownership stake in the management companies, as well as the portfolio businesses of PCF II Fund. Finding, nurturing, and ultimately, exiting from a successful industry leading business requires a strong alignment of company management, investors, and investment managers. PPE principals have committed USD17 million to an affiliated entity of PCF II KY investing alongside its partners.

MICHAEL LEE-CHIN

Michael Lee-Chin is the Chairman of Portland Private Equity and sponsor of AIC Caribbean Fund; founder and Chairman of the Portland Holdings group, a privately held investment company, which owns a collection of diversified operating companies; and Chairman of NCB Financial Group Limited.

ROBERT ALMEIDA

Robert Almeida is a Managing Partner of Portland Private Equity and helped launch AIC Caribbean Fund. He is an accomplished businessperson with a strong background in corporate strategy and operations. He was formerly an executive at Loblaw Companies, Canada's largest retailer, and led the creation of a direct bank at Canadian Imperial Bank of Commerce. He has served on the boards of Columbus International Inc. (cable and telecommunications), Kingston Wharves Limited (port operator), and Advantage General Insurance (general insurance). He currently serves on the boards of NCB Financial Group Limited, Clarien Bank Limited, and several subsidiaries of Portland Holdings Inc.

DOUGLAS HEWSON

Douglas Hewson has over 25 years of private equity and venture capital experience. He is a Managing Partner of Portland Private Equity; prior to joining AIC Caribbean Fund, he was responsible for co-founding and leading two successful investment management firms. At PPE, he has primary responsibility for investor relations, is a board member of Grupo IGA, Productive Business Solutions, Merqueo, and an observer to the board of Clarien Bank. He is a member of PCF II Fund's Investment Committee and is involved in all aspects of AIC Caribbean Fund and PCF II Fund's management. He is also a member of the Diversity, Equity, and Inclusion Committee at PPE.

TONI-TANILLE KERR

Toni is an investment partner at Portland Private Equity, working closely with portfolio companies to drive operational improvements and support growth strategy development. Toni also serves as co-lead of PPE's Diversity, Equity, and Inclusion Committee, supporting the firm's mission of promoting inclusion within the firm and across our portfolios. She has amassed over 15 years' experience in credit risk, investment and commercial banking. Prior to joining Portland Private Equity in 2019, Toni was head of Corporate Underwriting and Portfolio Management at National Commercial Bank Jamaica Limited. Toni holds both a B.Sc. (Hons) and M.Sc. in Economics from the University of the West Indies.

JOE VESCIO

Joe Vescio has over 30 years of experience in negotiating, structuring, and closing a wide variety of transaction types. He is a Managing Partner of Portland Private Equity, in addition to his investment origination and portfolio company responsibilities; he looks after the financial operations of AIC Caribbean Fund and PCF II Fund. Vescio founded a successful valuation practice earlier in his career and is a Chartered Accountant and Chartered Business Valuator by training.

RICARDO HUTCHINSON

Ricardo Hutchinson has over 17 years of experience in the Caribbean financial sector. He is an investment partner at the firm. Prior to joining Portland Private Equity, he worked with some of the Caribbean's leading financial institutions where he successfully closed several capital market transactions. He currently serves on the boards of Productive Business Solutions, Diverze Assets, Chukka Caribbean Adventures, and Tropical Battery. He holds a Master's degree in Economics from the University of The West Indies and is a CFA Charterholder.

PEDRO MOLINA

Pedro has over 15 years of Investment Banking experience, having advised clients on more than 40 M&A, Capital Markets, and Debt transactions with an aggregate value in excess of $40 billion. He is an investment partner at the firm, and a member of the Diversity, Equity, and Inclusion Committee. Prior to joining Portland, Pedro led the UBS and Citibank investment banking divisions in Colombia and CAC. Pedro also worked for over 8 years as part of the IB teams at Bank of America Merrill Lynch and Stephens Inc. in New York. He currently serves on the board of Merqueo and as an observer on IGA. Pedro holds an MBA, Magna Cum Laude, from Babson College.

HÜLYA SÖGÜT

Hülya has been an international sustainability expert for over 15 years. At Portland Private Equity, she is the Partner responsible for the evaluation, guidance and monitoring of portfolio companies' environmental, social and diversity performance. Hülya co-leads the Diversity, Equity, and Inclusion Committee, and is also responsible for impact approach and assessment. She has consulted for the World Bank and DEG evaluating the E&S performance of financial institutions. Prior to joining PPE in 2016, Hülya worked for PwC Germany advising companies in improving their sustainability performance, and evaluating international development cooperation projects.

STATEMENT OF THE CHAIR

On behalf of the board of directors, I am pleased to report on the activities and performance of the Company for the year ended February 28, 2023. The Company's investment in PCF II KY decreased. This is good news and not bad news as it is mainly the result of PCF II Fund achieving two full realizations during the year - InterEnergy Group & IEH Penonome Holdings. The decrease was approximately 26%. The Company received cash distributions from these realizations and these distributions were largely reinvested in short-term liquid securities and a co-investment, alongside PCF II Fund, into Merqueo Holdings, an existing portfolio company of PCF II Fund.

Net profit for the year of USD(812,082) (JMD[126,278,751]*) was a decrease from the net profit of USD4,277,269 (JMD661,907,378*) in the prior year. Profit per ordinary stock unit was USD(0.0026) (JMD[0.41]*) as compared to USD0.0138 (JMD2.14*) per share in the prior year. The Company's focus has been on continuing its support of PCF II Fund and its investment/monetization processes.

PCF II Fund is now well into the 'harvest' stage of its investment program. As we anticipate further distributions from realizations in PCF II Fund, the board of directors continues to focus on prudently maximizing shareholder value. We expect the proceeds from realizations to be dynamically allocated amongst the following priorities: (i) Reinvestment for sustainability; (ii) Distributions to ordinary shareholders via dividends or share repurchase; (iii) Growth; and (iv) Debt reduction.

As I look back, when the Company commenced operations, we did not anticipate a global pandemic, a war in Europe, or "out of control" inflation and the resulting rising interest rates. We are in the middle of once in a lifetime climate, geo-political and geo-economic changes. Resilience is the word for the times. There will be headwinds and tailwinds, wins and losses and, in general, turbulence. We are in the business of making investments and our focus is on controlling our emotions and adhering to our principles. Doing so allows us to strike an optimal balance between, on the one hand, striving to mitigate risks and, on the other hand, striving to seize the opportunities associated with those risks.

Our prioritization has provided a clear path to guide our decisions and actions through the many challenges and risks presented by global events over the past several years. We are well positioned and optimistic about the opportunities in front of us, while recognizing that we continue to operate in an environment of heightened risk. We would like to thank our shareholders for their support and for the trust they place in us. We also thank the talented management teams and employees of the portfolio companies of PCF II Fund for their dedication and hard work.

PERFORMANCE HIGHLIGHTS

(USD)	FEB-23	FEB-22
Total Equity	31,421,769	32,233,851
Investments in PCF II KY & Merqueo	30,808,905	35,807,571
Profit/(Loss)	(812,082)	4,277,269
Market Capitalization	20,611,394	16,124,317
Number of Issued Shares	309,968,261	309,968,261

PER SHARE (JMD)	FEB-23	FEB-22
Closing Price	10.34	8.05
Book Value*	15.76	16.09
Earnings Per Share	(0.41)	2.14
52 Week High	12.40	10.50
52 Week Low	6.50	6.50

**Calculated using S&P Capital IQ/Bloomberg quoted exchange rates as at February 28, 2023 (JMD/USD=155.50) and February 28, 2022 (JMD/USD=154.75)*

INVESTING RESPONSIBLY

PJX is proud to support PPE and the PCF II Fund in its environmental, social and governance (ESG) program that reflects our corporate core values of *"Prosperitas Cum Caritate"* and *"Doing Well by Doing Good"*. The ESG program follows our active, hands-on management approach – we call it team and contact sport – to improve impact and value of the PCF II Fund portfolio.

OUR APPROACH

Prosperitas Cum Curitate. Do Well by Doing Good.

These values are at the core of our approach. ESG is part of successful risk management, as well as impact and value creation. Guided by international best practices in ESG standards, we, and our portfolio companies, strive to ensure that strong financial returns and sustainable business practices together generate value and impact. Ultimately, ESG is a value-lever at many levels, making a difference for all stakeholders, including shareholders.

Chukka along with other supporters organizes the Breakfast Feeding Program at community schools. Team members visited Salt Spring Primary/Basic and Hartfield Basic School along with members of the St James Police Division to also assist with serving meals in 2022.

Merqueo employees participating in donations of Christmas gifts to the Foundations Sol en Los Andes and Verde Olivo, two of the strategic partners for social impact the company works with on an on-going basis, in December 2022.

OUR E&S PROGRAM

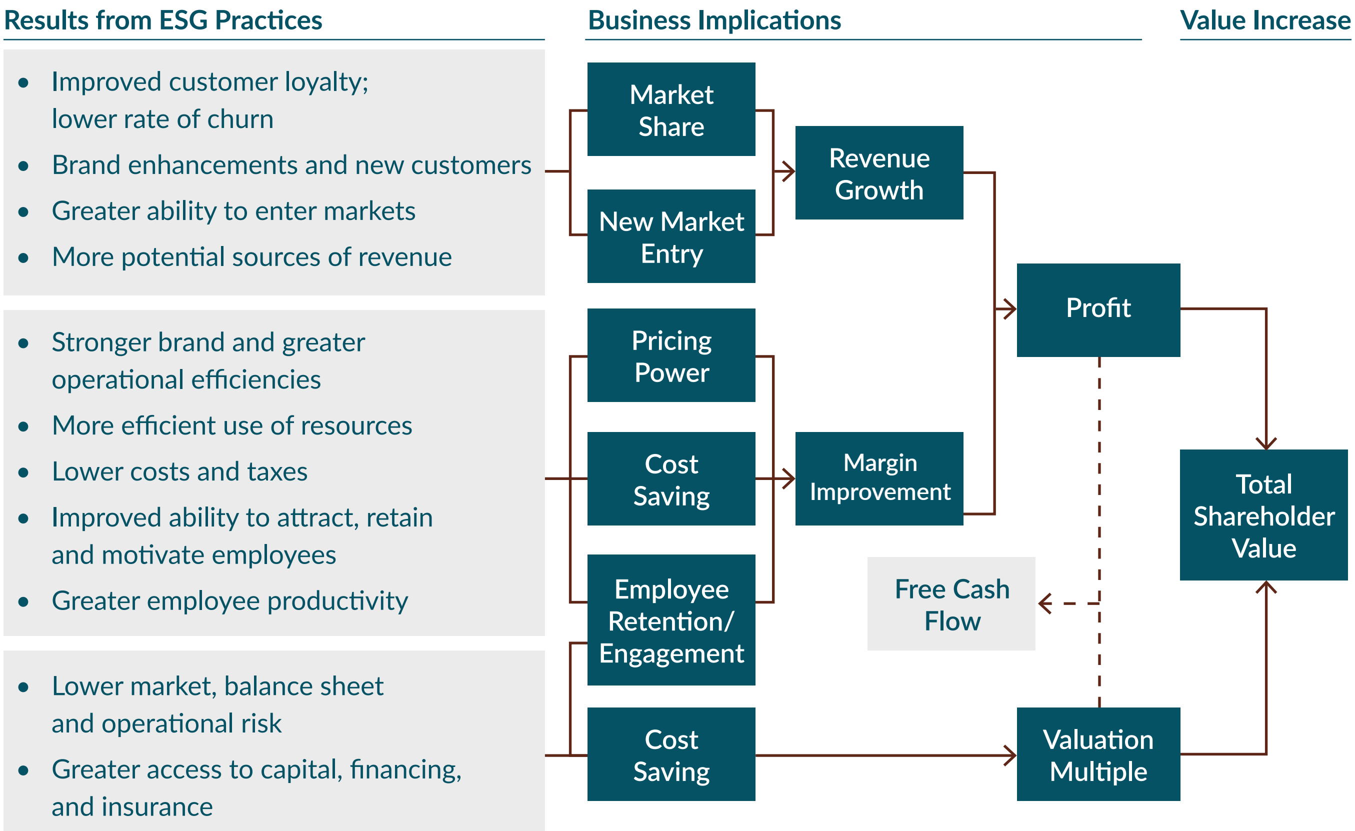
At PPE, we ensure our Environmental & Social (E&S) program follows best practices. We use and comply with IFC's Performance Standards and our entire investment process incorporates E&S:

- Screen Potential Investees for E&S risks and potential impacts
- Perform a detailed E&S Due Diligence
- Determine KPIs & Develop Action Plans
- Codify E&S in Legal Agreements
- Hire or Assign E&S Responsibilities
- Up-skill Investees Through Capacity Building
- Actively Support & Monitor Investees
- Discuss E&S at Board level
- Review E&S at Fund's Committees
- Provide Multi-Level E&S Reporting

We, and our portfolio companies, understand that making the right decisions today not only makes good sense for investors, but also makes a difference for future generations and the planet we live in.

HARNESSING SOCIAL IMPACT DRIVES SHAREHOLDER VALUE

We believe that ESG is a value-lever at many levels, driving value for all stakeholders. The chart below depicts how enhancing environmental and social practices within operations of any company creates cost reductions and savings, increases revenue and, ultimately, drives shareholder value.



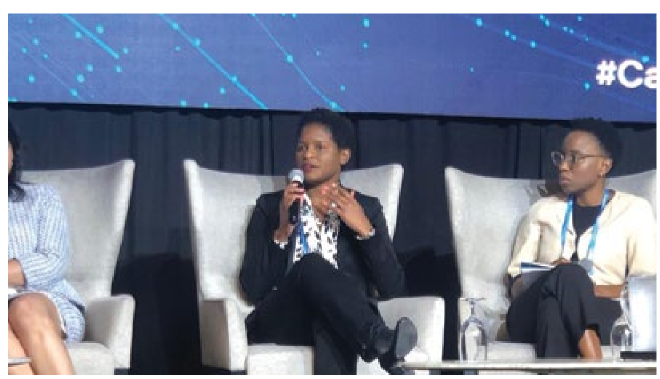
Based on the Business Case for ESG Chart by the CDC Group

DIVERSITY, EQUITY, AND INCLUSION

PPE's mission is to grow remarkable, responsible, and entrepreneurial businesses. We believe embracing diversity, equity, and inclusion in our firm and across our portfolio supports this mission. We are a diverse private equity firm fostering equitable inclusion and non-discrimination since inception. Inclusion also forms part of our DNA – an inclusive culture makes room for varied perspectives and promotes creativity and innovation resulting in better decisions.

We are committed to:

- Strengthening further the equitable work environment at our firm and throughout our portfolio
- Advancing diversity in senior management and board seats across our companies, and;
- Championing the importance of diversity, equity and inclusion within our target region



Caribbean ESG and Climate Finance Summit, 2022. Toni-Tanille Kerr speaking on the DEI panel

SUPPORTING GLOBAL INITIATIVES

To tackle global challenges and seize opportunities, we believe it is key to follow international environmental and social initiatives. PPE is a proud signatory of the UN-supported Principles for Responsible Investment and the Women's Empowerment Principles, and is a founding member of the 2X Collaborative, now 2X Global. We are also committed to help achieve the United Nations (UN) Sustainable Development Goals, and use the goals and indicators as guidance in defining our sustainability objectives.

UN GLOBAL GOALS

The UN Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 Global Goals recognize that ending poverty and inequality must include strategies to improve health and education outcomes, protect the planet, and drive economic growth.

We seek to invest in companies that express, and demonstrate, their contributions and commitments to achieving select SDGs. Each year we assess each portfolio company's contribution to select SDGs.

PRINCIPLES FOR RESPONSIBLE INVESTMENT

The UN supported international framework is based on 6 Principles that offer a menu of possible actions for incorporating ESG into investment practices. As a signatory, PPE are committed to have a sound ESG program that follows best practices.

Signatory of:

PRI Principles for Responsible Investment

2X GLOBAL

2X Global (formerly 2x Collaborative) is a global membership and field-building organisation in gender lens investing for investors, capital providers, and intermediaries. PPE is proud to be a founding member of 2X Global, and to be one of the select 2X Flagship Funds.

2X GLOBAL

UN WOMEN
United Nations Entity for Gender Equality and the Empowerment of Women

UN WOMEN

On December 10, 2021, PPE and UN Women Multi-Country Office Caribbean signed a Memorandum of Understanding, with a view of facilitating cooperation to increase Innovative Financing Options for Gender Equality in the Caribbean region and enhancing capacities across the private sector and governments to ensure women-owned or led businesses have access to capital to develop and scale their businesses.

E&S HIGHLIGHTS

2022 HIGHLIGHTS

- PPE facilitated a 3-day training in Jamaica with UN Women and FinDev Canada on Gender Lens Investing for Financial Institutions.
- As a founding member of the 2X Collaborative, PPE was very active as co-leads in two Communities of Practice: Gender & Climate, as well as Digital and Financial Inclusion. In 2022, PPE co-led 7 sessions.
- Rated "Leader" as per the Women's Empowerment Principles (WEPs) Gender Gap Analysis Tool.
- Updated ESMS by including an explicit human rights policy. Updated existing templates for E&S screening and the E&S Due Diligence questionnaire.
- Developed a detailed Gender and Diversity Investment Program in alignment with 2X criteria and WEPs for PCF III (upcoming fund).
- PPE facilitated 101 training on Gender Lens Investing during the Caribbean ESG and Climate Finance Summit in Trinidad.

IDB INVEST SUSTAINABILITY WEEK

The IDB Invest Sustainability Week is the flagship event which provides the platform for global and regional leaders to share solutions, best practices, and tools that drive sustainable impact in Latin America and the Caribbean region.

2022 UN CLIMATE CONFERENCE

The 2022 UN Climate Change Conference (COP27) aims to unite countries around the world to mitigate climate risks, adapt to the impact of extreme weather events, improve climate budgeting, and collaborate to achieve tangible results in climate change.

CARIBBEAN ESG & CLIMATE FINANCE SUMMIT

The Caribbean ESG & Climate Finance Summit was created to improve momentum towards a new operating and financing system for the Caribbean region. This event is designed to unite the entire borrowing, lending, and investor ecosystem in the Caribbean around the topic of ESG and Climate Finance.

- PPE performed two site supervision visits to Chukka and Tropical Battery in Jamaica in July; and Interlinc in Trinidad in November.
- Two portfolio companies measured their GHG emissions:
  - Liberty Latin America (LiLA) scope 1-2 emissions
  - Merqueo scope 1-3 emissions
  - LiLA intending to set reduction targets (SBTi) in course of 2023 and Merqueo working on strategy for Net Zero path by 2030

***IDB Invest Sustainability Week** – Hülya Sögüt (pictured) speaking on ESG Private Equity Panel.*

***COP27** – Doug Hewson (pictured) presenting at the UN Climate Change Conference.*

***Caribbean ESG and Climate Finance Summit** – Hülya Sögüt and Toni-Tanille Kerr co-led sensitization training on Gender Lens Investing along with UN Women and FinDev Canada.*

PORTFOLIO IMPACT

Notable Accomplishments

Responsible + Sustainable + Social

ECONOMIC GROWTH

8:1

US $320M+ invested
into portfolio companies that have attracted more than US $2.5B of additional risk capital

JOB CREATION

26,300 Employees
Directly employed by PCF II Fund portfolio companies

90% of Portfolio
Women-founded, led or with significant share of women (2X aligned)

REDUCED CARBON FOOTPRINT

+400,000
tonnes of CO2 emissions eliminated in 2022

Driving investments in clean technologies, including solar and wind energy

1st

Caribbean District Energy System
pioneered the development of the first district energy system in the Caribbean

COMMUNITY ENGAGEMENT

Established outreach programs supporting environmental, educational and health programs

+90% of portfolio company employees are from surrounding communities

Ensuring support of and engagement with indigenous communities

Education & training programs to enhance local expertise

PROMOTING HUMAN RIGHTS & EMPLOYEE HEALTH & SAFETY

Compliance with core International Labour Organization conventions, including prohibiting child or forced labour

Every company implements occupational health and safety measures and training, lowering accident and injury rates

**Economic growth may include data from ACF as well as PCF II Fund; the remainder of the metrics apply to PCF II Fund*

"Investing wisely starts with mindset, not money. Remember to take a long-term approach when seeking out opportunities. When it comes to investing, give yourself permission to dream big and be prepared to work hard for what you want!

Michael Lee-Chin
Chair, Portland Private Equity

MANAGEMENT DISCUSSION & ANALYSIS

The Company continued to participate as a Limited Partner in PCF II KY. At the end of the fiscal year, PCF II Fund had completed investments in 10 companies creating a geographically and sectorally diverse portfolio in the LATAM/Caribbean region. To date, there have been 2 full realizations and now 8 investments remaining in the portfolio. PPE continues to actively work with the management teams and other stakeholders of each portfolio company to increase value.

The performance of the Company reflects the operations of the underlying portfolio companies. PJX is an investment management and holding company, performance of PJX is a direct reflection of the performance of its underlying indirect and direct portfolio investments.

STRATEGY

The strategy of the Company is to invest in high-quality businesses, with competent management where growth or industry leadership can be attained. The investment focus is driven by:

(a) The existence of the following three pre-conditions:
   i. A perception/reality gap;
   ii. Inefficiencies; and
   iii. Scarcity of equity capital;

(b) Geographies and sectors where the team enjoys a competitive advantage of knowledge, experience, access and presence.

The geography of focus is the Caribbean and Latin America (with a particular focus on Colombia, Panama, and Costa Rica). The sectors of focus are telecommunications, consumer goods, financial services, energy, food services, hospitality/tourism and business outsourcing.

The Company's strategy is executed primarily by investing in, and co-investing alongside, PCF II KY (and successor funds managed by PPE). The combination of scarcity of capital, extensive experience of PPE, the investment advisory team behind PCF II Fund, and regional access to a robust pipeline of potential transactions has created a successful formula for investing.

The Company committed USD32 million to PCF II KY and, accordingly, is permitted to participate in co-investments on a no fee/no carry basis up to the amount of its capital commitment and thereafter on a negotiated basis.

PCF II Fund successfully closed in September 2016 raising capital commitments from its Limited Partners in excess of USD200 million, thereby becoming one of the largest sources of private equity financing in the region. PCF II Fund has made 10 investments throughout the LATAM/Caribbean region. Over 90% of total available capital is already deployed or committed. To date, the Company has also co-invested in two investees of PCF II Fund.

The foundation for future growth of net asset value and internal rate of return is quickly being established in high quality well run businesses. As well as investing, PCF II Fund engages with its portfolio companies to create value. PCF II KY actively works with the management teams of portfolio companies, participating on their boards and related committees. Significant attention is focused on key strategic areas like capital allocation, compensation alignment, company growth, and financing.

CURRENT ECONOMICS SUMMARY & TARGET MARKET

With interest rates expected to remain elevated given persistent inflation, the ongoing war in Ukraine and deteriorating financial conditions, a soft landing for the global economy in 2023 appears unlikely. IMF estimates slower global GDP growth of 2.8%, with 3.0% forecasted for 2024.

Latin America and the Caribbean are expected to reflect global conditions, with growth revised downwards to 1.6% in 2023 given even greater slowdown in key trading partners such as the US. The 2024 outlook is more optimistic with growth of 2.2% as the headwinds faced over the past 2 years are expected to subside.

THE ECONOMIC CONTEXT HAS GOTTEN MORE CHALLENGING

As the global pandemic moved into the rear-view mirror, economic after-shocks are now being experienced. This started with inflation, translated into higher and rising interest rates, reduction in capital availability and, more recently the demise of two major U.S. banks and one Swiss global bank.

Overall, global market valuations declined and that carries over into the valuation of the businesses in the PCF II Fund portfolio. Valuations in the telecommunication and technology sectors have been particularly hard hit.

More specifically, the effective closure of the initial public offering (IPO) market and further reduction in capital availability for young growth equity companies post the failure of Silicon Valley Bank.

MD&A – PORTFOLIO COMMENTARY

Overall, the businesses in PCF II Fund performed well operationally.

PRODUCTIVE BUSINESS SOLUTIONS

PBS Group, led by Chairman Paul B. Scott and CEO Pedro M. Paris, achieved outstanding results. For the year ended December 31, 2022, the company reported year over year revenue growth of 41% to USD 316 million, whilst profit after tax increased 66.6%. Building on its acquisition of Massy Technologies, PBS Group recently announced the acquisition of Infotrans Group Holding B.V., continuing its growth trajectory.

LIBERTY LATIN AMERICA

The telecommunications sector globally faced many headwinds from technological innovation and regulatory changes. Liberty Latin America has met these challenges with consolidation activity in Puerto Rico, Panama, Costa Rica and Chile to improve efficiency and reduce costs whilst investing hundreds of millions of US dollars in infrastructure investments to bring world class telecommunications to its customers. In a challenging year, operating income was relatively flat whilst free cash flow increased.

INTERLINC GROUP

Interlinc group largely works with the telecommunications companies in the region. Digicel's challenges impact the company's performance. However, it has strong leadership in Paul B. Scott and CEO Jason Corrigan, which provides confidence that the company will successfully navigate through this turbulence.

TROPICAL BATTERY COMPANY LIMITED

Tropical Battery, a publicly listed subsidiary of Diverze Assets Inc., for its year ended September 30, 2022, reported year over year revenue growth of 31.5% to JMD 2.6 billion, whilst profit after tax increased 123%.

DIVERZE PROPERTIES LIMITED

CEO Alexander Melville continues to execute strategies to increase the value of the real estate assets of this private subsidiary of Diverze Assets Inc. CEO and co-founder of Sotheby's Jamaica, Julian Dixon, has led the successful startup of Sotheby's Jamaica, which opened its doors in October 2021.

CHUKKA

Under the leadership of CEO Marc Melville, the Chukka tourism business emerged from the pandemic lows and is experiencing record volumes and revenues as travel has returned to the region. Having taken over management of the iconic Harrison's Cave Eco-Adventure Park in Barbados during the pandemic, the attraction is now transformed and receiving rave reviews.

GRUPO IGA

The restaurants of Grupo IGA in Colombia also recovered with performance exceeding pre-pandemic levels.

CLARIEN GROUP

Clarien group in Bermuda continued its transformation, relocating its main branch and head office and strengthening its wealth management division. In very difficult circumstances, the bank maintained its capital adequacy and profitability whilst reducing non-performing loans and positioning itself to increase profitability going forward.

OUTSOURCING MANAGEMENT LIMITED

Outsourcing Management Limited, which operates as itel cx, continued the expansion of its customer experience services platform across the region, with a focus on Jamaica, St. Lucia, Honduras and Guyana. The Company's co-investment in preference shares of OML, financed by matching Company issued preference shares, is performing well.

MERQUEO HOLDINGS

Colombian e-grocer, Merqueo, has gone through a roller-coaster ride over the last several years. The global pandemic dramatically increased demand for most e-commerce services and capital was abundantly available for companies that could scale locally, regionally and globally. In 2022, there was a 180 degree turn. To adapt to the change in circumstance, Merqueo successfully pivoted from a growth strategy to a strategy focused on the quickest pathway to profitability.

Late in 2022, Merqueo was proceeding towards a microcap IPO on the NASDAQ exchange in January 2023 and the Company took the opportunity to co-invest alongside the PCF II Fund in bridge financing.

However, Merqueo was unable to receive the required Securities Exchange Commission clearance before its financial numbers went stale. As a result, it had to delay the IPO until it had audited financial statements for the year ended December 31, 2022. Whilst Merqueo was able to finalize its audited financial statements, in the intervening period, the unexpected bank failures in March have recently resulted in Merqueo's investment bank underwriters and advisors indicating a loss of confidence in the likelihood of success of a microcap IPO.

Merqueo is currently exploring several avenues and the situation is highly uncertain, and the Company and PCF II Fund continue to closely monitor the situation.

RISK MANAGEMENT

By nature, the risks faced by PJX are bi-level meaning that they occur at both the corporate level and PCF II Fund investments level.

CORPORATE LEVEL

These risks are associated with the operation of the Company such as credit risk, regulatory risk, liquidity risk, market risk and other operational risk.

PCF II FUND LEVEL

At the PCF II Fund level, PJX faces indirectly many other risks associated with the portfolios such as market risk, liquidity risk, equity risk, economic risk and other risks that may have an effect on portfolio company and fund performance. PJX's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks.

At the corporate level, the board of directors ("Board") is ultimately responsible for the establishment and oversight of the risk management framework. The Board has established committees for managing and monitoring risks, as follows:

i. Participation in Joint Advisory Committee of PCF II Fund
ii. Audit Committee
iii. Compensation Committee

At the PCF II Fund level, there are several layers of monitoring and oversight. Overall, PCF II Fund is managed by the general partner, Portland Fund II, GP,L.P. Investment and compliance is monitored by the PCF II Fund Investment Committee, which is comprised of PPE managing partners and an independent member. Finally, the Joint Advisory Committee comprised of representatives of the Limited Partners invested in the PCF II Fund, including PJX, provides oversight.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The nature of PJX's investment strategy is to hold long-term assets that should provide superior returns. Accordingly, the investment in PCF II KY is illiquid. Monetization will occur by disposition of underlying assets by PCF II KY and distribution to its Limited Partners. PCF II Fund has a contractually established limited life after which assets must be distributed. PJX monitors adherence to these contractual obligations to ensure ultimate liquidity. PJX has commitments to meet capital calls made by PCF II KY for investments and operating expenses. These commitments are pre-funded largely with cash and short-term investments held by PJX. In its treasury management, PJX must maintain a balance of maximizing returns while maintaining liquidity to meet its PCF II KY obligations. PJX has established a liquidity management process, which the Board believes meets these objectives. It is monitored by the Board.

The Company's liquidity management process includes:

i. Monitoring future cash flows and liquidity on a regular basis. Quarterly operating expenses are substantially predictable except for capital calls from PCF II KY;
ii. Optimizing cash returns on short-term investment;
iii. Managing and matching maturity of treasury instruments with anticipated capital calls; and
iv. Diversifying short-term instruments among two or more parties to reduce default risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. These arise mainly from changes in interest rate, foreign currency rate and equity prices and will affect the Company's income or the value of its holdings of financial instruments. Market risk with respect to investments within PCF II Fund are managed by PPE.

Reliance on GP/Key Personnel Dependence

All decisions with respect to the management of PCF II Fund's assets and the operation is made exclusively by Portland Fund II GP, L.P. (the "General Partner"). Limited Partners have no right to participate in the management of PCF II Fund or to make any decisions with respect to the investments to be made by PCF II Fund. Consequently, Limited Partners must rely on the General Partner with respect to the selection of investments and management of PCF II Fund. The success of PCF II Fund depends in substantial part upon the skill and expertise of the management and team of the General Partner and the other individuals employed to assist them. There can be no assurance that it will be able to attract and retain the professionals needed to manage PCF II Fund.

Minority Investment

PCF II Fund may make minority equity investments in entities in which it does not participate in the day-to-day management or otherwise legally control the business or affairs of such entities. The General Partner will monitor the performance of each investment, maintain an ongoing dialogue with each portfolio company's management team and generally seek board representation as a condition of investment. However, it will be primarily the responsibility of the management of the portfolio company to operate the company on a day-to-day basis and PCF II Fund may not have the right to control decisions proposed to be made by such portfolio company.

Currency Risk

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. PJX is somewhat exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the functional currency (United States Dollars). The main currencies giving rise to this risk are the Jamaican dollar, Euro, Colombian peso, and Trinidad and Tobago dollar. The Company manages this risk by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept at the targeted levels by buying or selling currencies at spot rates when necessary to address imbalances.

Operational Risk

Operational Risk is the risk arising from execution of the business functions and in particular the risk of loss resulting from inadequate or failed internal control processes, people and systems, or from external events such as:

i. Internal Fraud: Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery;

ii. External Fraud: Theft of information, hacking damage, third-party theft and also forgery;

iii. Employment Practices and Workplace Safety: Employee health and safety, discrimination, workers compensation;

iv. Clients, Products, & Business Practice: Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning;

v. Damage to Physical Assets: Natural disasters, terrorism, vandalism;

vi. Business Disruption & Systems Failures: Utility disruptions, software failures, hardware failures; and

vii. Execution, Delivery, & Process Management: Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets.

Interest Rate Risk

Interest rate risk refers to the risks associated with market changes in interest rates. In general, rising interest rates will negatively impact the price of fixed rate debt instruments and falling interest rates will have a positive effect on the price of such debt instruments. Declines in market value, if not offset by any corresponding gains on hedging instruments, may ultimately reduce earnings or result in losses to PCF II Fund. In addition, the prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations as interest rates change. To the extent PCF II Fund invests in longer-term investments, it will be impacted to a greater degree by changes in market interest rates than if it invested in short-term debt securities.

Credit Risk

PCF II Fund may provide debt financing to companies. As a result, it may be subject to significant credit risk (i.e., the risk that an issuer or borrower will default in the payment of principal and/or interest on a debt instrument) in light of its investment strategy. Credit risk also includes the risk that a counterparty will be unwilling or unable to meet its obligations. Financial strength and solvency of an issuer or borrower are the primary factors influencing credit risk. In addition,degree of subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. In some cases, the credit risk of some of PCF II Fund's investments may be broadly gauged by the credit ratings of such companies. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances, are not absolute guarantees of the quality of the rated securities and are subject to downgrade. Additionally, the Investment Advisors may rely on their own independent analysis of the credit quality and risks associated with individual securities considered for PCF II Fund rather than relying on ratings agencies or third-party research, and there can be no assurance that the Investment Advisors will be successful in this regard.

Failure to Make Capital Contributions

If any Limited Partner fails to fund its subscription obligation or make required capital contributions when due, PCF II Fund's ability to complete its investment program or otherwise continue operations may be impaired. A default by a substantial number of Limited Partners could leave PCF II Fund with less than the minimum capital commitment and would limit opportunities for investment diversification and likely reduce returns to PCF II Fund.

Counterparty Risk

PCF II Fund is subject to credit risk with respect to the counterparties to instruments entered into directly. PCF II Fund will also be subject to the risk that a counterparty to a trade may become unwilling or unable to meet its obligations prior to settlement. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, PCF II Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding.

PCF II Fund may obtain only a limited recovery or may obtain no recovery in such circumstances. The Investment Advisors are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with a single counterparty. The ability of the Investment Advisors to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by PCF II Fund, especially during unusually adverse market conditions.

REGIONAL INVESTMENT RISK

Economic Risks

The economies of the Caribbean region may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. Economic institutions are continuing to evolve throughout the Caribbean region and their progress is often difficult to evaluate. Certain enterprises continue to operate under inefficient management structures with little accountability. Capital and advanced technology in certain countries of the Caribbean region are in short supply. Market institutions have not yet developed in such a way as to allocate resources efficiently among firms. While basic bankruptcy laws are evolving, there is insufficient experience in the Caribbean region to ensure that such laws will permit the orderly liquidation of inefficient firms.

Severe Weather and Natural Disasters

The Caribbean region is subject to severe weather and natural disasters, such as hurricanes, tornadoes and thunderstorms and floods which, if severe, could adversely affect the business operations of PCF II Fund portfolio companies and the general economic conditions of the Caribbean region. Furthermore, severe weather and related property damage may require one or more of PCF II Fund's investments to incur additional and unexpected expenses, which may adversely impact the Company's investments.

Tax Risks

Tax laws in many countries in the Caribbean region maybe burdensome to private enterprise.

Changes to taxation treaties (or their interpretation) between the countries of the Caribbean region and countries through which PCF II Fund or its subsidiaries invest may severely and adversely affect PCF II Fund's ability to efficiently realize income or capital gains. Consequently, it is possible that PCF II Fund may face unfavorable tax treatment in the Caribbean region which may materially adversely affect the value the Company's investment in PCF II Fund.

Political and Social Risks

The availability of investment opportunities for PCF II Fund depends on the continued support of the governments in the Caribbean region for liberalization of economic policies and the development of the private sector. There can be no assurance that these governments will continue these policies or that other factors negatively affecting PCF II Fund will not develop. In either case, prices for securities of issuers in these countries could fail to appreciate as the General Partner anticipates and in fact could decline, thereby impairing the ability of PCF II Fund to achieve its investment objective of capital appreciation.

PCF II Fund does not intend to obtain political risk insurance. Actions of one or more of the governments of the Caribbean region in the future could have a significant effect on the various economies, which could affect private sector companies and PCF II Fund, market conditions, and prices and yields of securities in PCF II Fund's portfolio. Political and economic instability in the Caribbean region or in any particular country in which PCF II Fund invests could adversely affect its investments.

Certain governments in the Caribbean region have held power for a number of years, which has led to a relatively stable political environment, conducive to economic growth and development. The political systems of a number of these countries, however, have little experience with respect to orderly changes of political leadership or control of the government. A variety of political or economic events could result in significant changes in the leadership or political structure of the countries of the Caribbean region.

There can be no assurance that such changes will be carried out in an orderly manner, or that a successor government or administration will not implement policies that have a material adverse effect on the economy of any particular country or PCF II Fund's investments in that country.

Certain countries in the Caribbean region undergo frequent changes in government. Over time, such changes may cause inconsistent economic policy and weaken the economic institutions and consequently the economic growth of such countries.

In certain countries in the Caribbean region, any economic reforms enacted that lead to a more open market and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign direct investment including limitations on investment returns, and such restrictions would have an adverse effect on PCF II Fund's investments.

Territorial disputes and competing territorial claims exist among certain countries in the Caribbean region. These disputes may or may not break out into open hostilities or international crises. In the event such hostilities or crises do materialize, the investment climate in the affected countries could deteriorate and adversely impact PCF II Fund's investments.

Restrictions on Repatriation of Capital

Countries of the Caribbean region may control, in varying degrees, the repatriation of capital and profit that result from foreign investment. Capital markets, often opaque, continue to be highly regulated and will likely be subject to continuing government restrictions. The Company could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation. There can be no assurance that the Company will be permitted to repatriate capital or profits, if any, over the life of its activities.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Portland JSX Limited is pleased to present the Company's Shareholders with the Annual Report covering the year ended February 28, 2023. The Board recognizes that corporate governance plays an integral role in the administration, operation and oversight of the management of the Fund and accordingly works closely with the Fund Managers, Portland Private Equity II, Ltd., to make sure good governance practices are exercised in the management of the Company's equity investment portfolio.

BOARD OF DIRECTORS

The Board currently consists of five Directors, who when taken collectively, have the skills, qualification and expertise to provide PJX with strong leadership and oversight of its operations. Mrs. Brenda Duncan, Chartered Accountant, joined the Board on June 23, 2022 as she was determined the most suitable candidate from the list of prospective individuals interviewed.

The composition of the Board is mainly made up of independent non-executive directors in keeping with the Company's Corporate Governance Policy and the JSE Main Market Rules. An independent director is defined as a non-executive director who, in the determination of the Board, has no material relationship with the Company, either directly or in their capacity as a partner, shareholder or officer of an organization that has a relationship with the Company.

ROLE OF THE BOARD

The Board now has full oversight of the Company's operations and decision-making powers having taken the decision to abolish the Shareholders Advisory Committee in July 2022, as well as the authority to carry out all acts necessary or considered useful to realize the Company's objectives in line with the approved strategic plan and investment strategies. It oversees the performance of the Fund Managers and defines the general policies under which the operations of the Company are conducted. The Board also ensures risk mitigation measures are in place and that there is full compliance with the provisions of the International Business Companies Act of St. Lucia, the St. Lucian Registry, the Jamaica Stock Exchange Main Market Rules and other relevant laws and guidelines including the Jamaican Securities Act. During the year, the Board reviewed and approved a Conflict-of-Interest Policy and the Company's Amended and Restated Articles of Association.

ATTENDANCE AT MEETINGS OF THE BOARD

The Board meets on a quarterly basis in each financial year. All four scheduled meetings were held including a special meeting to expand discussions on the Company's current and future investment strategies. Below is the attendance record for Board meetings.

Names of Directors	Meetings Attended
Douglas Hewson, *Chair*	4/5
Jonathan Murphy	3/5
N. Patrick McDonald	5/5
Patricia Francis	5/5
Brenda Duncan*	4/5

**Director Duncan was appointed to the Board effective June 23, 2022*

The Directors also participated in the Company's annual general meeting in September 2022 and the quarterly Investor Briefing held in January 2023.

BOARD SUBCOMMITTEES

The two permanent committees of the Board are the Audit Committee and the Compensation Committee. The Board appoints the members of each Committee as well as review and approve their terms of reference. The composition of both Committees consists of Independent Directors.

BOARD COMMITTEE – AUDIT

The Audit Committee meets twice in each financial year and its membership comprises three Independent Directors, namely Brenda Duncan, Jonathan Murphy and Patricia Francis.

Both scheduled meetings were held and the attendance of the Committee members is noted below:

Committee Members	Meetings Attended
Jonathan Murphy	1/2
Patricia Francis	2/2
Brenda Duncan*	1/2

**Director Duncan attended her first meeting in October 2022 having been appointed to the Committee on June 23, 2022.*

These Directors have a sound accounting and financial background which is necessary to conduct the affairs of the Committee. In addition, Director Brenda Duncan, who joined the Committee effective June 23, 2022, is a Chartered Accountant.

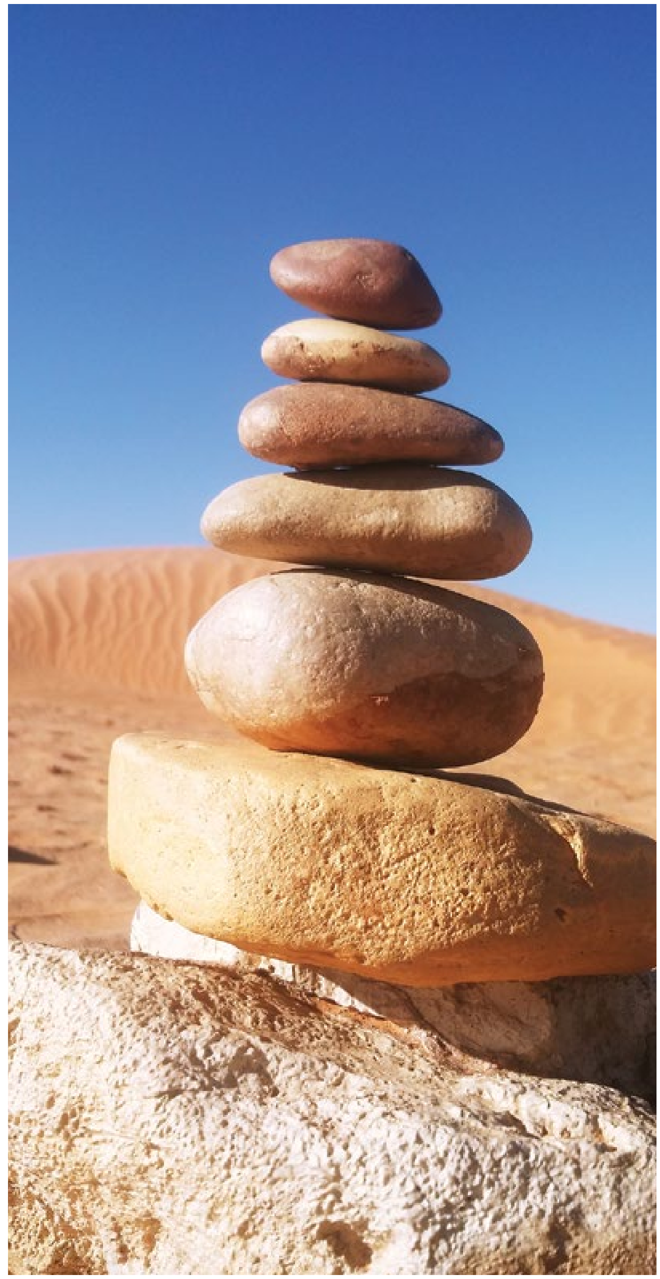
The Audit Committee continues to monitor the integrity of the Company's quarterly and audited financial statements and the accounting and financial processes; to review report on audits and risk management; and report at Board meetings on matters requiring the attention of all the Directors. The Committee is also responsible for reviewing the Company's corporate governance statement; evaluating the independence and performance of the external auditors, particularly the provision of audit-related services, if any; to maintain regular contact with the external auditors; and in ensuring PJX remains compliant with all relevant laws, regulations and guidelines.

BOARD COMMITTEE – COMPENSATION

The membership of the Compensation Committee comprises Directors Jonathan Murphy, N. Patrick McDonald and Patricia Francis and meetings are held on an as needed basis. No meetings were held during the reporting year.

BOARD PERFORMANCE EVALUATION

The performance evaluation questionnaire is currently under revision based on the feedback received from the last assessment. Accordingly, the next review will be done for the financial year ending 2024 and reported on accordingly.



Shareholders are encouraged to visit the Company's website, www.portlandjsx.com to view the Governance Policy and other relevant shareholder information.

DIRECTOR SHAREHOLDINGS

LIST OF SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT AND THEIR CONNECTED PERSONS AS AT FEBRUARY 28, 2023

Director	Shareholdings	Connected Persons
Douglas Hewson	Nil	Portland Fund II GP, Inc. Controlling Shareholder through Preferred Shares
Patricia R. Francis	Nil	-
N. Patrick McDonald	Nil	-
Jonathan Murphy	Nil	-
Brenda Duncan	Nil	-

Senior Management	Shareholdings	Connected Persons
Portland Private Equity II, Ltd.	Nil	Douglas Hewson
McNamara Corporate Services Inc.	Nil	-

TOP 10 SHAREHOLDERS

TOP TEN LARGEST SHAREHOLDERS AS AT FEBRUARY 28, 2023

Rank	Shareholder	Holdings	Percentage Holdings of PJX
1	Gracekennedy Limited Pension	40,000,000	12.90%
2	ATL Group Pension Fund Trustees	30,905,222	9.97%
3	PAM – Pooled Equity Fund	25,001,579	8.07%
4	Peter 2 Company Limited	23,727,000	7.65%
5	SJML A/C 3119	20,000,000	6.45%
6	P.A.M LTD – JPS Employees	15,408,105	4.97%
7	Guardian Life Limited	13,062,400	4.21%
8	VMWealth Equity Fund	11,562,370	3.73%
9	Guardian Life Limited/Pensions Fund	11,454,500	3.70%
10	JPS Employees’	10,788,955	3.48%
	Subtotal	**201,910,131**	**65.1%**
	Total	**309,968,261**	**100%**

Success isn't a finish line, it's a journey. Embrace the journey by continually learning, growing, and striving towards your goals.

Michael Lee-Chin
Chair, Portland Private Equity

FINANCIAL OVERVIEW

OPERATIONS HIGHLIGHTS

For the year ended February 28, 2023, the Company experienced gross decline in fair value of PCF II KY as a result of a full realization of two portfolio companies held by PCF II Fund: IEH Penonome Holdings & InterEnergy Group. After adjusting for capital contributions during the year, the gross change in the fair value of the investment in PCF II Fund was USD(9,498,666). All capital contributions to PCF II KY during the year of USD(1,373,975), were to fund follow on investments in Merqueo Holdings, in addition, direct investments were also made in the amount USD4,500,000.

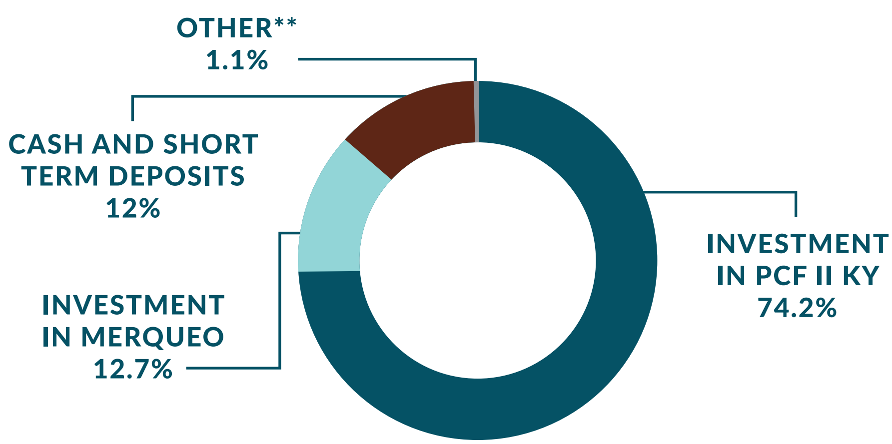
The Company also experienced a net fair value decrease on PCF II KY of USD(496,132) which was attributable to a revaluation of the underlying portfolio during the year. The most significant changes in value within the underlying portfolio companies came from Productive Business Solutions Limited, Merqueo Holdings and Outsourcing Management Limited.

Operating expenses for the Company were USD448,428 for the year ended February 28, 2023, compared to USD860,866 for the year ended February 28, 2022. The decrease was primarily due to an adjustment to management fees payable to Portland Private Equity II, Ltd. at the PCF II Fund level.

Summary of Investment Activity (USD)	Feb 28, 2023	Feb 28, 2022
Fair Value of Investment in PCF II KY	26,308,905	35,807,571
Cumulative Capital Contributions to PCF II KY	30,984,674	29,591,988
Unfunded Commitment to PCF II KY	1,015,326	2,408,012

ASSET BREAKDOWN

The main assets are the investment in PCF II KY, Merqueo and cash instruments. The following illustrates the asset make up of the Company*.



**Excludes OML Investment. All equity associated with the investment in OML Preference Shares is attributable strictly to the Equity Linked preference shares and should not impact any other shareholders in the Company. This instrument has been structured to preclude recourse against any other assets of the Company, and therefore, equity of any other shareholders.*

***Comprised of receivables*

PJX OPERATIONS

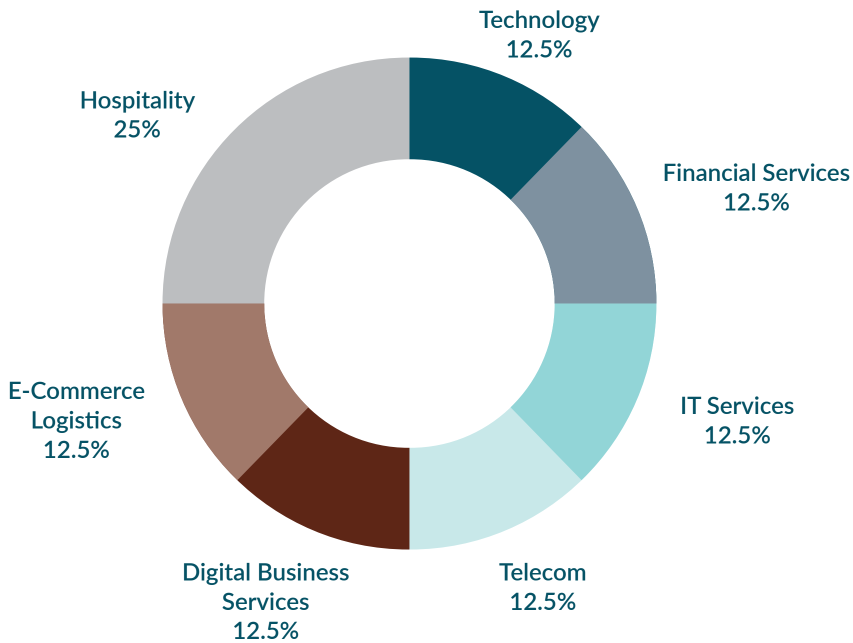
Shareholders' Equity	Feb 28, 2023	Feb 28, 2022	Feb 28, 2021	Feb 29, 2020	Feb 28, 2019	Feb 28, 2018	Feb 28, 2017
Shareholders' Equity Brought Forward	32,233,851	27,802,660	25,686,669	24,341,264	25,663,171	23,765,556	13,777,089
Share Capital, Opening	25,682,953	25,682,953	25,682,953	25,682,953	25,682,953	25,682,953	14,104,694
Shares Issued	-	-	-	-	-	-	11,578,259
Share Capital, Ending	25,682,953	25,682,953	25,682,953	25,682,953	25,682,953	25,682,953	25,682,953
Retained Earnings (Deficit), Opening	6,396,976	2,119,707	3,716	(1,341,689)	(19,782)	(1,917,397)	(327,605)
Net Profit (Loss)	(812,082)	4,277,269	2,115,991	1,345,405	(1,321,907)	1,897,615	(1,589,792)
Retained Earnings (Deficit), Ending	5,584,894	6,396,976	2,119,707	3,716	(1,341,689)	(19,782)	(1,917,397)
Fair Value Gains (Losses) During the Year	(496,132)	5,349,614	2,603,701	2,309,251	(665,282)	2,074,249	(437,923)
Ordinary Shareholders' Equity Carried Forward	31,421,769	32,233,851	27,802,660	25,686,669	24,341,264	25,663,171	23,765,556
Investment Revaluation Reserve (OML)*	153,922	153,922	-	-	-	-	-

Operating Results (USD)	Feb 28, 2023	Feb 28, 2022	Feb 28, 2021	Feb 29, 2020	Feb 28, 2019	Feb 28, 2018	Feb 28, 2017
Profit (Loss) Before Tax	(812,082)	4,277,269	2,115,991	1,345,405	(1,319,658)	1,897,921	(1,589,792)
Taxation	-	-	-	-	(2,249)	(306)	-
Net Profit (Loss) After Tax	(812,082)	4,277,269	2,115,991	1,345,405	(1,321,907)	1,897,615	(1,589,792)
Attributable to Ordinary Shareholders of the Company	(812,082)	4,277,269	2,115,991	1,345,405	(1,321,907)	1,897,615	(1,589,792)

**Associated with the OML Investment (made in FY2021-2022). All equity associated with the investment in OML Preference Shares is attributable strictly to the Equity Linked preference shares and should not impact any other shareholders in the Company. This instrument has been structured to preclude recourse against any other assets of the Company, and therefore, equity of any other shareholders.*

PCF II FUND – PORTFOLIO OVERVIEW

SECTOR DIVERSIFICATION



AUDITED FINANCIAL STATEMENTS

YEAR ENDED FEBRUARY 28, 2023

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Independent auditors' report

To the shareholders of Portland JSX Limited

Opinion

We have audited the financial statements of Portland JSX Limited (the Company), which comprise the statement of financial position as at February 28, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	Summary of the key audit matter	Our audit response
Valuation of investments	The Company's investments which total $35,808,905 comprise unquoted securities. Specifically, for the investment in Portland Caribbean Fund II, L.P. and Outsourcing Management Limited, the estimations of the fair value of such investments involve significant judgements and assumptions which include the performance of the underlying investments, market assumptions and liquidity discounts.	We reviewed the estimates for fair value for any indicators of bias. This included the testing and evaluation of the reasonableness of significant assumptions which involved the engagement of our internal fair value specialists, where applicable, who assessed the reasonableness of the valuation methodologies, assumptions and the fair value conclusions in respect of the underlying investments as of the measurement date.

Information other than the financial statements and auditors' report thereon

Management is responsible for the other information. The other information comprises the list of shareholdings of directors and senior management and their connected persons and the top 10 shareholdings of the Company as at February 28, 2023, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the list of shareholdings of directors and senior management and their connected persons and the top 10 shareholdings of the Company as at February 28, 2023, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Deloitte.

Independent auditors' report (continued)

To the shareholders of Portland JSX Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

The financial statements of the Company for the year ended February 28, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2022.

The engagement partner on the audit resulting in this independent auditors' report is Steve Clarke.

Deloitte & Touche

April 14, 2023

Page 3

Portland JSX Limited
Statement of financial position
As at February 28, 2023
(Expressed in United States dollars unless otherwise stated)

	Notes	2023 $	2022 $
Assets			
Non-current assets			
Financial investments, at fair value through profit or loss	5	**30,808,905**	35,807,571
Financial investment, at fair value through other comprehensive income	6	**5,000,000**	5,000,000
		35,808,905	40,807,571
Current assets			
Cash and cash equivalents	7	**5,761**	156,795
Securities purchased under resale agreements	8	**4,246,548**	87,918
Dividend receivable on preference shares		**259,028**	136,111
Receivables and prepayments	9	**131,039**	37,875
		4,642,376	418,699
Total assets		**40,451,281**	41,226,270
Liabilities			
Current liabilities			
Due to related parties	19 (c)	**—**	53,934
Dividend payable on redeemable preference shares		**207,223**	108,889
Payables	10	**117,671**	106,318
		324,894	269,141
Non-current liabilities			
Bond payable	11	**3,858,540**	3,877,200
Redeemable preference shares	12	**4,846,078**	4,846,078
		8,704,618	8,723,278
Total liabilities		**9,029,512**	8,992,419
Equity			
Share capital	13 (a)	**25,682,953**	25,682,953
Investment revaluation reserve	13 (b)	**153,922**	153,922
Retained earnings		**5,584,894**	6,396,976
Total equity		**31,421,769**	32,233,851
Total liabilities and equity		**40,451,281**	41,226,270

The financial statements on pages 4 to 30 were approved for issue by the Board of Directors on April 11, 2023 and signed on its behalf by:

______________________________, Chairman
Douglas Hewson

______________________________, Director
Patricia Francis

The accompanying notes are an integral part of the financial statements.

Portland JSX Limited

Statement of profit or loss and other comprehensive income

Year ended February 28, 2023

(Expressed in United States dollars unless otherwise stated)

	Notes	**2023** **$**	2022 $
Income			
Interest income, calculated using the effective interest method		**310,565**	2,654
Net fair value (losses)/gains on financial investments at FVTPL		**(496,132)**	5,349,614
Dividend income from financial instrument at FVOCI		**247,917**	136,111
Other income		**66,666**	—
Net foreign exchange gains		**13,055**	96,327
		142,071	5,584,706
Expenses			
Operating expenses	14	**(444,428)**	(860,866)
Operating (loss)/profit before finance costs		**(302,357)**	4,723,840
Dividends paid to holders of redeemable preference shares		**(198,333)**	(108,889)
Interest expense on bond payable		**(311,392)**	(337,682)
Total finance costs		**(509,725)**	(446,571)
(Loss)/profit for the year		**(812,082)**	4,277,269
Other comprehensive income			
Items that may be reclassified to profit or loss			
Unrealised gains on redeemable preference shares at FVOCI	13 (b)	**—**	153,922
Total comprehensive (loss)/income		**(812,082)**	4,431,191
(Losses)/earnings per ordinary share (expressed as ¢ per share)	15	**(0.26)¢**	1.38¢

The accompanying notes are an integral part of the financial statements.

Portland JSX Limited

Statement of changes in equity

Year ended February 28, 2023

(Expressed in United States dollars unless otherwise stated)

	Share capital $ (Note 13(a))	Investment revaluation reserve $ (Note 13(b))	Retained earnings $	Total $
Balances at February 28, 2021	25,682,953	—	2,119,707	27,802,660
Unrealised gains on preference Shares at FVOCI, being other comprehensive income	—	153,922	—	153,922
Profit for the year	—	—	4,277,269	4,277,269
Total comprehensive income	—	153,922	4,277,269	4,431,191
Balances at February 28, 2022	25,682,953	153,922	6,396,976	32,233,851
Loss for the year	—	—	(812,082)	(812,082)
Total comprehensive loss	—	—	(812,082)	(812,082)
Balances at February 28, 2023	**25,682,953**	**153,922**	**5,584,894**	**31,421,769**

The accompanying notes are an integral part of the financial statements.

Portland JSX Limited
Statement of cash flows
Year ended February 28, 2023
(Expressed in United States dollars unless otherwise stated)

	2023 $	2022 $
Cash flows from operating activities		
(Loss)/profit for the year	**(812,082)**	4,277,269
Adjustments for		
Net foreign exchange losses	**(18,660)**	(96,327)
Preference dividends receivable	**(122,917)**	(136,111)
Receivables and prepayments	**(93,164)**	451
Due to related parties	**(53,934)**	(154,094)
Payables	**16,795**	3,951
Preference dividends payable	**92,889**	114,333
Net cash (used in) provided by operating activities	**(991,072)**	4,009,472
Cash flows from investing activities		
Securities purchased under resale agreements	**(4,158,628)**	110,493
Debt service reserve account	**—**	—
Financial investment at FVOCI	**—**	(5,000,000)
Financial investments at FVTPL	**4,998,667**	(4,376,339)
Net cash provided by (used in) investing activities	**840,038**	(9,265,846)
Cash flows from financing activities		
Bond payable	**—**	3,858,540
Long-term loan	**—**	(3,447,080)
Proceeds from issue of redeemable preference shares	**—**	5,000,000
Net cash provided by financing activities	**—**	5,411,460
Net (decrease)/increase in cash and cash equivalents	**(151,034)**	155,086
Cash and cash equivalents at beginning of year	**156,795**	1,709
Cash and cash equivalents at end of year	**5,761**	156,795

The accompanying notes are an integral part of the financial statements.

1. The Company

Portland JSX Limited ("PJX" or "the Company") was incorporated in Saint Lucia on September 15, 2015 as an International Business Company ("IBC") with IBC number 2015-00335, and commenced operations on October 1, 2015. The registered office of the Company is located at the offices of McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia. The primary business of the Company is that of a Limited Partner in Portland Caribbean Fund II, L.P. (the "Fund" or the "Partnership"). The Fund has an upfront five-year commitment period to make investments within a term of 10 years, ending July 2024, with the possibility of two additional consecutive one-year terms. During the year, the Company added to its investment portfolio debt held in Merqueo Holdings (note 5(b)).

PJX is an equity investment vehicle through which Jamaican pension plans, as well as other eligible investors, invest to gain access indirectly to quality investments in the Latin American & Caribbean (LAC) region. The Company is listed on the Jamaica Stock Exchange.

Portland Private Equity II, Ltd. a Barbados exempted limited company (the "Barbados Management Company") and PPEC Inc., a Canadian company (the "Canadian Management Company" and together with the Barbados Management Company, "Management Companies" or "Managers") are responsible for managing the assets of the Fund, including investigating, analyzing, structuring and negotiating potential portfolio investments and monitoring the performance of portfolio investments.

Portland JSX Limited and the Partnership

Under the Partnership Agreement, distributions and allocations to the partners and management fees are dealt with in the following manner:

(i) *Distributions and allocations*

(a) income, gains, losses, deductions and credits arising in connection with Short-Term Investments, are allocated in proportion to their relative Capital Contributions, and;

(b) Distributions of Disposition Proceeds and Other Portfolio Income received in respect of any Portfolio Investment shall initially be apportioned among the Participating Partners based on their respective Capital Contributions attributable to such Investment. The amount apportioned to the General Partner pursuant to the preceding sentence shall be distributed to the General Partner. The remaining amount apportioned to each Limited Partner that is a Participating Partner shall be further apportioned between (i) such Limited Partner on the one hand and (ii) the General Partner on the other hand and, except as otherwise provided in the Agreement, in the following amounts and order of priority:

(i) first, 100% to such Limited Partner, until such Limited Partner has received total distributions equal to its total Capital Contributions to the Partnership.

(ii) second, 100% to such Limited Partner until such Limited Partner has received total cumulative distributions equal to a preferred return of 8% per annum, compounded annually, on all amounts distributed in accordance with paragraph (i) not previously made to such Limited Partner.

(iii) third, 100% to the General Partner until cumulative distributions to the General Partner equals 20% of the aggregate amount of the distributions made under paragraph (ii) and this paragraph.

(iv) thereafter, 20% to the General Partner and 80% to such Limited Partner.

1. The Company (continued)

(ii) Management fees and other charges

The Fund pays a Management Fee of 1.75% of invested capital calculated at the beginning of the quarter that the management fee is related to.

Each Limited Partner is required to bear its portion of management fees and all other partnership fees and expenses, including organisational expenses from the partnership commencement date based on its pro rata share of capital commitments.

In admitting additional Limited Partners or accepting additional Capital Contributions or Capital Commitments from existing Partners, each Limited Partner is treated as having been a party to the Agreement, and each increased Capital Commitment is treated as having been made, as of the Partnership Commencement Date.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain amended standards come into effect during the financial year. The Company has assessed them and determined that none of them had any significant effect on the amounts and disclosures in the financial statements.

Amended standards that have been issued but are not yet effective

At the reporting date, certain amended standards and interpretations have been issued which are not yet effective for the current year and which the Company has not early-adopted. The Company has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

Amended standards that have been issued but are not yet effective (continued)

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and
  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract. The amendments clarify that the "costs of fulfilling a contract" comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the "incremental cost" approach to recognize bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate.

The Company is assessing the impact that these amended standards will have on its future financial statements when they become effective.

<u>Amended standards that are effective for the current year</u>

- Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to certain standards and are effective for annual periods beginning on or after January 1, 2022. The amendment that affects the company's operation is IFRS 9 Financial Instruments. IFRS 9 Financial Instruments amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amended standard had no effect on the Company's financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, modified for the revaluation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

(c) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(d) Functional and presentation currency

Except where indicated to be otherwise, these financial statements are presented in United States dollars, which is the Company's functional currency.

3. Summary of significant accounting policies

The company has consistently applied the accounting policies as set out below to all periods presented in these financial statements.

(a) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into United States dollars at the exchange rates prevailing at the reporting date. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from exchange rate fluctuations are included in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents include bank balances and highly liquid financial assets with original maturities of less than ninety days from date of placement. Cash and short-term deposits are measured at amortized cost.

(c) Securities purchased under resale agreements

Securities purchased under agreements to resell the asset at a fixed price on a future date (reverse repurchase agreements) are treated as collateralised lending. The underlying asset is not recognised in the Company's financial statements. The difference between the purchase and resale price is recognised as interest over the life of the agreements using the effective interest method.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial instruments carried on the statement of financial position include financial investment at fair value through profit or loss, financial investment at fair value through other comprehensive income, cash and cash equivalents, securities purchased under resale agreements, receivables (excluding prepayments), dividend receivable and financial liabilities including bond payable, dividend payable, payables and redeemable preference shares.

(i) Recognition and initial measurement

Financial instruments at fair value through profit or loss are recognised initially on the trade date, which is the date on which the Company becomes party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date they are originated.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognized in profit or loss when an asset is newly originated.

Financial instruments at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial instruments not at fair value through profit or loss are measured initially at fair value, plus transaction costs that are directly attributable to its acquisition or issue.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification

On initial recognition, the Company classified its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

All other financial assets of the Company are measured at FVTPL or FVOCI.

Business model assessments

- In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:
- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification (continued)

Business model assessments (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, securities purchased under resale agreements, dividend receivable and receivables (excluding prepayments). These financial assets are held to collect contractual cash flows.
- Other business model: this includes financial investment at FVTPL and FVOCI. These financial assets are managed and their performance is evaluated, on a fair value basis.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the day of the first reporting period following the change in business model.

Financial liabilities

The Company classifies financial liabilities as measured at amortised cost.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, of any difference between the amount recognised and the maturity amount, adjusted for any expected credit loss allowance.

(iv) Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its nonperformance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability on the statement of financial position. On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legal right to set off the recognised amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vii) Identification and measurement of impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition for estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of "investment grade".

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognised are referred to as "Stage 1 financial instruments".

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows. The Company does not currently have any credit-impaired financial assets. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(e) Bond payable

A bond is recognised initially at fair value net of directly attributable transaction costs and is subsequently measured at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the loan using the effective interest method.

3. Summary of significant accounting policies (continued)

(f) Interest income

Interest income is recognised in profit or loss on the accrual basis using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

Amortised cost and gross carrying amount

See definition of amortised cost at Note 3(d)(iii).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss includes interest on financial assets measured at amortised cost.

(g) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of the financial liability. The 'amortised cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount.

The effective interest rate of a financial liability is calculated on initial recognition of a financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost.

3. Summary of significant accounting policies (continued)

(h) Dividend expense on redeemable preference shares

Dividend payable to the holder of redeemable preference share is recognised in the profit or loss as 'finance costs' when the right to made payment is established.

(i) Net gains and losses from financial assets classified as fair value through profit (FVTPL) or loss and fair value through other comprehensive income (FVOCI)

Financial instrument at FVTPL

This asset is subsequently measured at fair value. Net gains and losses from this financial instrument includes all realised and unrealised fair value changes but excludes interest, and distributions of partnership income and are recognised in profit or loss within 'net fair value gains on financial investment at FVTPL'. Realised gains and losses are calculated using the specific identification method.

Financial instrument at FVOCI

This asset is subsequently measured at fair value. Dividends are recognised as income in profit or loss when declared, unless the dividend clearly represents a recovery of part of the cost of the investment and are presented within 'dividend income from financial instrument at FVOCI'. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

(j) Taxation

Effective July 1, 2021, all International Business Companies (IBC's) are subject to the Income Tax Act where chargeable income is taxed at the rate of 30 percent. However, in 2018, the Income Tax Act was amended by virtue of section 8 (3), which provides that the assessable income of the company shall not include income accrued from a source outside of Saint Lucia, provided that the company can demonstrate economic substance for each activity carried on in the relevant sector.

To address the economic substance requirements, the Government of Saint Lucia introduced the Economic Substance Act No 33 of 2019 (ESA) in 2019. Effective July 1, 2021, within 3 months after a year of income, a relevant entity shall submit to the Competent Authority an Economic Substance Return.

(k) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the Company has no separately identifiable operating segment.

(Expressed in United States dollars unless otherwise stated)

4. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events those are believed to be reasonable under the circumstances.

The fair value of the Company's unquoted investment in the Fund is based on the fair values of the Fund's underlying investments, which include common equity securities and corporate debt. The fair value of such underlying investments and investment held in Outsourcing Management Limited ('OML preference shares') uses valuation models that employ significant unobservable inputs for investments that are traded infrequently or not at all. These unobservable inputs require a higher degree of management judgment and estimation in determining the fair value.

Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows from the financial instrument being valued, determination of expected volatilities and correlations, and selection of appropriate discount rates. Consequently, the use of different assumptions and inputs could yield materially different results in the fair value of the Company's investment in the Fund and OML preference shares from those reflected in the statement of financial position.

5. Financial investment at FVTPL

This represents:

(a) An unquoted equity investment in the Fund. The Fund is managed by Portland Private Equity II, Ltd. and its principal activity is to make private equity and related investments in companies or other entities located principally in certain member and associate member states of CARICOM, certain Development Assistance Committee Countries and certain Cotonou Agreement Countries (the "Target Region"), which excludes Cuba, Mexico and Venezuela. The Fund will also make investments in businesses, the securities of which have no established market and may be restricted with respect to transfer, with the principal objective of appreciation of invested capital.

(b) Investment in Merqueo consists of equity, convertible debt notes and factoring facilities. Merqueo is a vertically integrated e-grocer who offers customers a seamless online platform where they can easily shop for groceries that are conveniently delivered to their door, at a price targeted to be less expensive than prices found at a traditional supermarket. The debt accrues interest at rates between 0%-18% per annum. Repayment will be made in the future either through cash or shares.

	February 28, 2023 $	February 28, 2022 $
Portland Caribbean Fund II, L.P.	**26,308,905**	35,807,571
Merqueo Holdings	**4,500,000**	—
	30,808,905	35,807,571

6. Financial investment at FVOCI

This represents cumulative convertible preference shares held in Outsourcing Management Limited ('OML') – "itel" (the "OML Preference Shares") that were issued at US$1 per share. Itel is a Business Process company providing voice and non-voice (digital) contact services, as well as high-value customer experience management. Dividend is payable at 5% per annum semiannually and mature within five years. Subject to certain conditions being met, the preference shares are convertible to Series B ordinary shares at the earlier of three years or the investee attaining an agreed upon pre-money valuation, based on an agreed upon multiple and trailing earnings before interest, taxation, depreciation, and amortization.

(Expressed in United States dollars unless otherwise stated)

7. Cash and cash equivalents

Cash and cash equivalents represents deposits in savings accounts held with a licensed commercial bank, of which $0 ($155,088 in 2022) is held for the benefit of JCSD Trustee Services Limited, in respect of bond payable arrangement (note 11).

8. Securities purchased under resale agreements

At the reporting date, the fair value of securities purchased under resale agreements, are estimated to approximate their carrying value, due to their short-term nature. $163,151 ($0 in 2022) is held for the benefit of JCSD Trustee Services Limited, in respect of bond payable arrangement (note 11).

9. Receivables and prepayments

	2023	2022
	$	$
Interest receivable	**111,131**	98
Prepaid management fees (Note 19 (c))	**19,908**	37,777
	131,039	37,875

10. Payables

	2023	2022
	$	$
Management fee payable on redeemable preference shares* (Note 19 (c))	**10,361**	5,444
Interest payable	**52,305**	57,727
Withholding tax payable	**875**	24
Other payables and accruals	**54,130**	43,123
	117,671	106,318

* This represents amount payable to the Managers of the Company related to their share of dividend allocated on redeemable preference shares. See note 12.

11. Bond payable

On April 16, 2021, the Company entered into a bond purchase agreement (five-year term) with JCSD Trustee Services Limited for J$600,000,000 (US$3,964,200) to refinance the loan with Victoria Mutual Investments Limited (J$520,000,000). The bond bears interest at a fixed rate of 8% per annum, payable on a quarterly basis. The principal sum (plus any accrued interest) is repayable by way of a lump sum payment at the end of the term.

As at February 28, 2023, the principal amount outstanding amounted to J$600,000,000 (US$3,858,540) [J$600,000,000 (US$3,877,200) in 2022].

(Expressed in United States dollars unless otherwise stated)

12. Redeemable preference shares

On August 16, 2021, the Company issued US$5,000,000 redeemable preference shares, less transaction costs of US$153,922. The proceeds from which was used to invest in preference shares of a Portland Caribbean Fund II, L.P. portfolio company, Outsourcing Management Limited. Dividends of 4% per annum are payable semi-annually, which mature within five years. The principal sum is repayable by way of a lump sum payment at maturity. The difference of 1% between the amount payable on these redeemable preference shares and the amount receivable on the Company's investment in OML preference shares (Note 6), is allocated between the Company and the Manager 80%/20%, respectively. See note 10.

The Company's maximum debt to equity should not exceed 3.0x. Redeemable preference shares do not carry the right to vote. All equity associated with the investment in OML Preference Shares (Note 6) is attributable strictly to the Equity Linked preference shares and should not impact any other shareholders in the Company. This instrument has been structured to preclude recourse against any other assets of the Company, and therefore, equity of any other shareholders.

13. Share capital and reserves

(a) Share capital

Issued and fully paid

	2023	2022
	$	$
309,968,261 (309,968,261 in 2022) ordinary shares	**26,392,474**	26,392,474
Non-redeemable preference share (i)	**1**	1
Transaction costs of share issues	**(709,522)**	(709,522)
	25,682,953	25,682,953

(i) Portland Fund II GP, Inc., the general partner of the Fund, holds 1 (1 in 2022) nonredeemable preference share in the Company. The preference share gives Portland Fund II GP, Inc. the right to receive notice of, attend, vote at and demand a poll at general meetings of any class of shareholders of the Company. On all decisions in general meetings and on all resolutions, Portland Fund II GP, Inc. is entitled to 51% of the votes of the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of the Company.

(b) Investment revaluation reserve:

This represents the accumulative net change in the fair value of financial asset measured at FVOCI, until the asset is derecognised or reclassified.

(Expressed in United States dollars unless otherwise stated)

14. Expenses by nature

	2023	2022
	$	$
Accounting fees	**24,781**	21,932
Audit fees	**42,943**	36,155
Directors' fees (Note 19(d))	**20,552**	16,250
Other operating expenses	**59,234**	183,881
Administrative expenses	**29,726**	27,562
Irrecoverable withholding taxes	**49,076**	663
Legal and professional fees	**17,277**	115,230
Management fees related to redeemable preference shares (Note 19(d))	**9,917**	5,444
Management fees (Note 19(d))	**190,922**	453,749
	444,428	860,866

15. Earning per ordinary share

The calculation of basic earnings per ordinary share of (0.26)¢ (1.38¢ in 2022) is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year of 309,968,261 (309,968,261 in 2022).

16. Financial risk management

(a) Overview and risk management framework

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aim is therefore to achieve an appropriate balance between risks and return and minimise potential adverse effects on its financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by the Management Companies under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk.

16. Financial risk management (continued)

(b) Credit risk

(i) Credit risk management

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit exposure arises principally on investment activities that bring debt securities into the Company's asset portfolio.

(ii) Credit risk exposure

Credit risk exposures reflected on the statement of financial position relate to cash and cash equivalents, securities purchased under resale agreements and investments in the Fund and OML preference shares.

The Company has a significant concentration of credit risk at the reporting date in respect of certain financial investments with the Fund, OML preference shares and cash and cash equivalents and securities purchased under resale agreements with First Global Bank Limited and Victoria Mutual Wealth Management Limited. The maximum credit exposure is limited to the carrying value of financial assets on the statement of financial position.

(c) Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in investment products, which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The market risk arising from investment activities is determined by the Management Companies and monitored by the Board of Directors separately.

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no exposure to this risk as it has no variable rate interest-bearing financial instruments.

16. Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The main currency giving rise to this risk is the Jamaica dollar (J$).

At the reporting date, the J$ dollar equivalents of net foreign currency liabilities were as follows:

	2023 **J$'000**	2022 J$'000
Bond payable	**(600,000)**	(600,000)
Cash and cash equivalents	**25,266**	24,000
Security purchased under resale agreements	**—**	3,711
Interest payable	**(8,133)**	(8,933)
	(582,867)	(581,222)

The exchange rate of the US$ to the J$ at the reporting date was $155.50 (US$1.00 to J$154.75 in 2022).

Foreign currency sensitivity

The effect of a 6% (6% in 2022) strengthening of the United States dollar against the

Jamaica dollar at the reporting date would, all other variables held constant, have resulted in an increase in profit or loss for the year of US$224,900 (US$212,595 in 2022). A 2% (2% in 2022) weakening in the exchange rate would, on the same basis, have resulted in a decrease in profit or loss of US$74,967 (US$76,650 in 2022).

(d) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates. Assets available to meet liabilities which includes cash and cash equivalents and securities purchased under resale agreements.

(Expressed in United States dollars unless otherwise stated)

16. Financial risk management (continued)

(d) Liquidity risk (continued)

The table below presents the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Company's financial liabilities.

	Within 3 months $	3 to 12 months $	Over 1 year $	Contractual cash flows $	2023 Carrying amount $
Financial liabilities					
Redeemable preference shares	—	227,945	5,000,000	5,227,945	4,846,078
Dividend payable on preference shares	—	217,584		217,584	217,584
Payables	107,310	10,361		117,671	117,671
Bond payable	77,171	231,512	4,784,590	5,093,273	3,858,540
	184,481	687,402	9,784,590	10,656,473	9,039,873

	Within 3 months $	3 to 12 months $	Over 1 year $	Contractual cash flows $	2022 Carrying amount $
Financial liabilities					
Due to related parties	53,934	—	—	53,934	53,934
Redeemable preference shares	—	114,333	5,085,667	5,200,000	4,846,078
Dividend payable on preference shares	—	108,889	—	108,889	108,889
Payables	100,874	5,444	—	106,318	106,318
Bond payable	92,084	276,251	5,135,675	5,504,010	3,877,200
	246,892	504,917	10,221,342	10,973,151	8,992,419

17. Capital management

The Company is a Limited Partner in the Fund, which is one of several parallel partnerships that together comprise a private equity fund with a mandate to make investments in equity or debt securities of private companies located in the Caribbean and Latin America.

The Company has made a capital commitment to the Fund which obligates the Company to remit funds, cumulatively not to exceed the amount of the capital commitment, upon receipt of capital call notices.

The Company may co-invest with the Fund in equity or debt securities of private companies located in the Caribbean and Latin America. The Company is permitted to participate in co-investments on a no fee/ no carry basis up to the amount of its capital commitment and thereafter on a negotiated basis.

Pending the receipt of capital call notices in respect of the Company's commitment to the Fund, which may occur over the period of several months or years, and at any time deemed appropriate by the Manager, the Company will invest in short-term instruments, money market funds, or similar temporary instruments.

In addition, the Company may borrow up to 25% of its total assets after giving effect to the borrowing. The Company has no intention to utilise leverage as a strategy, however, borrowing may be required to fund working capital and act as buffer to cover cash flow timing differences.

18. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument.

For financial instruments which have no market prices, the fair value has been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The Company measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The valuation of investments at fair value through profit or loss is as described in note 4.

(a) Accounting classifications and fair values

The Company's investment in the Fund and OML preference shares are measured at fair value and classified at level 3. The following table shows the valuation techniques used in measuring the fair value of the Company's unquoted investments, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment in the Fund and OML Market – comparable companies or external offers	• Adjusted EBITDA multiple range of 5.00-11.60 times • 5%-15% liquidity discount	The estimated fair value would increase/(decrease) if: • Adjusted EBITDA was higher/(lower) • The liquidity discount was (higher)/lower

(Expressed in United States dollars unless otherwise stated)

18. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued)

The table below shows the carrying amount and fair value level of financial assets and financial liabilities.

					2023
	Carrying amount			**Fair value**	
	FVTPL	**FVOCI**	**Amortised cost**	**Level 2**	**Level 3**
	$	**$**	**$**	**$**	**$**
Financial assets measured at fair value					
Financial investments at FVPTL	**30,808,905**	**—**	**—**	**—**	**30,808,905**
Financial investment at FVOCI	**—**	**5,000,000**	**—**	**—**	**5,000,000**
Financial assets not measured at fair value					
Dividend receivable on preference shares	**—**	**—**	**259,028**	**259,028**	**—**
Receivables (excluding prepayments)	**—**	**—**	**111,131**	**111,131**	**—**
Security purchased under resale agreement	**—**	**—**		**—**	**—**
Cash and cash equivalents	**—**	**—**		**—**	**—**
	30,808,905	**5,000,000**	**370,159**	**370,159**	**35,808,905**
Financial liabilities not measured at fair value					
Payables	**—**	**—**	**117,671**	**117,671**	**—**
Dividend payable on redeemable preference shares	**—**	**—**	**217,584**	**217,584**	**—**
Bond payable	**—**	**—**	**3,858,540**	**3,858,540**	**—**
Redeemable preference shares	**—**	**—**	**4,846,078**	**4,846,078**	**—**
	—	**—**	**9,039,873**	**9,039,873**	**—**

					2022
	Carrying amount			Fair value	
	FVTPL	FVOCI	Amortised cost	Level 2	Level 3
	$	$	$	$	$
Financial assets measured at fair value					
Financial investment at FVPTL	35,807,571	—	—	—	35,807,571
Financial investment at FVOCI	—	5,000,000	—	—	5,000,000
Financial assets not measured at fair value					
Dividend receivable on preference shares	—	—	136,111	136,111	—
Receivables (excluding prepayments)	—	—	98	98	—
Security purchased under resale agreement	—	—	87,918	87,918	—
Cash and cash equivalents	—	—	156,795	156,795	—
	35,807,571	5,000,000	380,922	380,922	40,807,571
Financial liabilities not measured at fair value					
Due to related parties	—	—	53,934	53,934	—
Payables	—	—	106,318	106,318	—
Dividend payable on redeemable preference shares	—	—	108,889	108,889	—
Bond payable	—	—	3,877,200	3,877,200	—
Redeemable preference shares	—	—	4,846,078	4,846,078	—
	—	—	8,992,419	8,992,419	—

Financial assets and financial liabilities in table above are classified at level 2 either due to their short-term nature or when non-current due to no discount anticipated on settlement.

(Expressed in United States dollars unless otherwise stated)

18. Fair value of financial instruments (continued)

(b) Reconciliation of Level 3 fair value

The following table shows a reconciliation for the financial investment, measured at fair value:

	Unquoted investment	
	2023	2022
	$	$
Balance at beginning of the year	**40,807,571**	31,431,233
Net change in fair value recognised in profit or loss	**(496,132)**	5,349,614
Additional investments during the year	**5,873,976**	4,846,078
Net change in fair value recognised in OCI	**—**	153,922
Financial investment distributions received	**(10,376,510)**	(973,276)
Balance at end of year	**35,808,905**	40,807,571

19. Related party balances and transactions

(a) Definition of related party

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the "reporting entity," in this case, the Company).

A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

(vi) The entity is controlled, or jointly controlled by a person identified in (1).

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(Expressed in United States dollars unless otherwise stated)

19. Related party balances and transactions (continued)

(b) Identification of related parties

The Company has related party relationships with directors, Management companies and funds under the control of the management companies.

(c) The statement of financial position includes balances arising in the ordinary course of business, with related parties as follows:

	2023 **$**	2022 $
Financial investment at FVTPL	**26,308,905**	35,807,571
Management fee payable on redeemable preference shares (Note 10)	**–**	5,444
Prepaid management fees* (Note 9)	**19,907**	37,777
Due to related entities - Portland Private Equity II Ltd.*	**–**	(53,934)

* These related party balances are interest free and unsecured and are expected to be settled within the next twelve months.

(d) The statement of profit or loss and other comprehensive income includes significant transactions in the ordinary course of business, with related parties, as follows:

	2023 **$**	2022 $
Net fair value gain (loss) on financial investment, at FVTPL	**(496,132)**	5,349,614
Management fees related to redeemable preference shares (Note 14)	**9,917**	5,444
Key management compensation		
Management fees (Note 14)	**(190,922)**	(453,749)
Directors' fees (Note 14)	**(20,552)**	(16,250)
	(211,474)	(469,999)

PORTLAND
JSX LIMITED